

HOUSE OF REPRESENTATIVES.

FRIDAY, April 25, 1913.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Lord, our God and our Father, ever ready to hear the prayers of Thy children, we would draw near to Thee with open hearts that we may receive of Thy spirit sufficient unto the needs of the hour; that we may control our thoughts and direct our ways in consonance with our highest conceptions of right and truth and justice that we may render unto Caesar the things that are Caesar's and unto God the things that are God's, and so fulfill the law and the prophets. In the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read.

The SPEAKER. Without objection, the Journal as read will stand approved.

Mr. MANN. Mr. Speaker, reserving the right to object, I notice the Journal shows that yesterday the Speaker accepted the resignation of Mr. COLLIER from the committee to attend the exercises in regard to the Jefferson memorial and appointed another Member of the House to succeed him. I do not desire to be captious in the matter, but I would like to inquire what authority there is by this House for the appointment of anyone to attend those exercises?

The SPEAKER. Well, the Chair will state to the gentleman that that is not the only difficulty about that committee. When the resolution was passed during the last Congress the Speaker studied a good while to determine whether he really could appoint on that committee any Member of the Sixty-second Congress who was not going to be a Member of the Sixty-third, and so on; and the Chair really did not know whether he had any authority to do that or not, but it seemed to the Chair the only thing to do—

Mr. MANN. The Speaker will remember the resolution which was passed in the last Congress was a simple House resolution. I suppose the gentleman who drew it drew it in conformity with the idea of a Senate resolution, which was somewhat similar—

The SPEAKER. Yes.

Mr. MANN. Forgetting the distinction between the two bodies, the Senate being a continuous body and the House not being a continuous body. That resolution provided for the appointment by the Speaker of 12 Members of the House to attend those exercises and the Speaker exercised that power. When the Congress adjourned that power under the resolution ceased.

The SPEAKER. Well, did the committee cease?

Mr. MANN. Well, that is another question. The House since then has passed a bill appropriating money to pay the expenses of that committee. I do not know whether the Speaker had taken it into consideration or how many members were going to resign. I have noticed since the appropriation was cut down a very large number of distinguished gentlemen not connected with this House have declined to go. I did not know how many would decline to go—

The SPEAKER. The Chair will state the best of his recollection about this is that he was notified that Mr. COLLIER could not go and Mr. BORLAND wanted to go, or something of the sort, before this cut was made in the appropriation.

Mr. MANN. Oh, I did not refer to Mr. COLLIER in that connection. I said gentlemen not connected with this House.

The SPEAKER. Mr. COLLIER did not want to go on account of this tariff bill, he being a member of the Ways and Means Committee. That is his reason. Of course, everybody knows a ticket from here to St. Louis costs \$23, sleeper \$5, three or four meals will run it up to three or four dollars more, tip to the porter, and so forth, altogether would increase the actual expenses of a trip from here to St. Louis to \$30 and \$30 back; hotel bill there, and so forth; but that had nothing to do with Mr. COLLIER declining to go, but the reason was because he wanted to be here, being a member of the Committee on Ways and Means.

Mr. MANN. I am very sure that Mr. COLLIER would not have declined to go, even if there had been no appropriation on that account. I wanted to call attention to it because I think the House ought to remember when it passes resolutions of this sort that one House has no authority beyond its term of office.

The SPEAKER. The Chair entirely agrees with the gentleman.

Mr. MANN. We understood that when the original resolution was passed at the last session.

The SPEAKER. But the gentleman was here and permitted this appropriation to pass the other day, and, so far as that

point is concerned, other Members did not raise any sort of objection to it. Of course that does not preclude him from making this statement; and the Chair was in doubt, and is yet, whether or not that resolution that was passed in the last Congress was such a resolution as authorized the committee appointed to do anything beyond that Congress, but acting under the circumstances the Chair was not going to raise any such question himself.

Mr. MANN. I certainly do not desire to be understood as in any way criticizing the Speaker.

The SPEAKER. The Chair understands that.

Mr. MANN. I did not raise the question on the floor the other day when the appropriation passed, it is true, although I stated privately that I did not understand how anybody could spend the money, because there was not any committee authorized to do anything.

The SPEAKER. Without objection, the Journal will stand approved.

There was no objection.

THE TARIFF.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 3321.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, with Mr. GARRETT of Tennessee in the chair.

Mr. GORDON. Mr. Chairman, I had no intention to participate in the general debate on this bill; the new Members on the Democratic side were sent here to act, not to talk.

The 14 distinguished Democrats on the Ways and Means Committee, who have spent months of time and labor in the preparation of this measure, are much better prepared to enlighten the House and the country upon its provisions than other Members can possibly be; and while I concur in the judgment of the distinguished gentleman from Alabama [Mr. UNDERWOOD] that the country has a right to expect and demand of the majority in this House prompt action on its part, I believe that the comparatively short period of time allotted to the large majority upon this side of the Chamber might wisely have been awarded to the Democratic members of the Committee on Ways and Means.

But, Mr. Chairman, while in attendance at the session of the House yesterday I propounded certain questions to two distinguished Republican Members, who are among the oldest in point of service and certainly among the ablest in ability on that side of this Chamber; I refer to the two gentlemen from Michigan, Mr. FORDNEY and Mr. HAMILTON.

At the conclusion of his speech I asked the gentleman from Michigan [Mr. FORDNEY] by what process of reasoning he was able to conclude—as he had alleged in his remarks—that the panic of 1893 was caused by the Wilson-Gorman tariff law, which was not enacted until August of 1894? To this he replied that the country had been convulsed with the panic of 1893 in anticipation of the enactment of that law, which was about one and one-half years subsequent to the commencement of the panic.

I then inquired of the gentleman from Michigan why it was that no panic had resulted from the induction into office of a Democratic administration this year and the introduction of the Underwood bill, which provided for a lower average of tariff rates than had the original Wilson bill introduced in December of 1893? To this the ingenious gentleman from Michigan replied that the workmen of this country had saved so much money under the Republican administration that they refused to permit a panic this year, or words to that effect.

The other gentleman from Michigan [Mr. HAMILTON] read into his speech some figures prepared by President Taft's Tariff Board, showing the comparative rates of wages paid in the cotton and woolen mills of England, Germany, Belgium, and other European countries, and these figures disclose that the rates of wage paid cotton and woolen mill employees in England are very substantially higher than in any of the countries on the Continent of Europe, all of which have the protective-tariff system.

At that point I asked the gentleman from Michigan to explain why wages were twice as high in free-trade England as they are in protective countries on the Continent, and why these low-wage countries which are much nearer England than they are America do not flood England with cheap goods and capture her home and foreign markets, and the gentleman from Mich-

igan admitted that he did not know and could not explain this apparent repudiation of Republican campaign logic by cold facts collected by a Republican administration.

The remarks of both the distinguished gentlemen from Michigan, the CONGRESSIONAL RECORD announces this morning, are withheld for revision and "will appear hereafter."

The truth is, Mr. Chairman, that these are pertinent illustrations of the "pro-bunco-publico" argument of Republican campaign orators which have been dinned into the ears of the American people during the past 20 years.

A government can no more create prosperity among its people by increasing taxation than an individual can lift himself by his boot straps; the first violates the laws of political economy and of common sense as much as the latter does the law of gravitation, and it is high time that the American people, and especially their National Representatives, got back to bedrock principles in dealing with the tariff question.

In 1896 the Republicans ran away from a discussion of the money question because it was politically expedient to do so and easier to raise the vast sums of money used by them in that campaign by promising to increase tariff rates than by agreeing to maintain the gold standard, which required no change in the existing law. If the Republicans had been free to reduce some of the exorbitant rates of the Wilson-Gorman law and then let the tariff alone, the people of this country would have been saved most of the cruel extortions to which they were later subjected by the trusts and combinations which were the legitimate brood of the prohibitory rates imposed by the tariff law of 1897.

But the men who had contributed the millions of dollars to carry the election of 1896 demanded their "pound of flesh," and were represented in the United States Senate by the men to whom the money had been contributed and who wrote into the bill the rates demanded and the Dingley law was the measure of their demands.

The War with Spain and the steady increase in the production and supply of gold which injected into the arteries of trade and commerce a life-giving stimulus akin to fresh pure blood in the human body resulted in the quickening of trade and industry to such an extent that the great body of the people were insensible to the legitimate results bound to follow the prohibitory rates imposed by the Dingley Act.

Thoughtful people were quick to observe the effect which these extortionate rates of duties were bound to produce. Sheltered from competition from all foreign countries, it was as natural for the domestic manufacturers to form combinations as it is for the sparks to fly upward.

In his last public utterance made just before his assassination in 1901, President McKinley, who had approved the Dingley law, appealed for a modification of its rates in language as earnest and strong as political consistency would permit. Then Roosevelt succeeded to the Presidency and McKinley's appeal went unheeded.

Consummate politician that he was, Roosevelt saw the possibilities for raising campaign funds in the exorbitant tariff schedules and made good use of them in 1904, as the recent publication of the campaign expenses in that year prove.

Roosevelt spoke guardedly at times about revising the tariff through a tariff commission, but it was obvious that he was simply reminding the protected interests of their obligations to him for permitting the scandalous rates of the Dingley law to remain in force.

He hotly denied that prohibitive tariff rates encouraged the formation of trusts and combinations, as charged by the Republicans of Iowa in their platform, and otherwise behaved in a way that won him the enduring friendship of the men who own and control many of the largest trusts in this country.

William H. Taft, in announcing his candidacy for the Republican nomination in 1908, declared in favor of a reduction of tariff rates and admitted that the tariff raised prices; this was a new Republican departure and caused much political trouble and turmoil later on; just when the foreigner quit paying the tariff was not disclosed, but Taft admitted that he no longer did so.

Taft's subsequent nomination and election was followed by one of the saddest political tragedies in our history; Taft really wanted to reduce the tariff, but his party had been mortgaged to the tariff beneficiaries in exchange for campaign funds and was powerless to carry out its pledges to the people, and the Payne-Aldrich law, revising the tariff up instead of down, was the result.

What followed is recent history. This administration came into power under a solemn pledge to revise the tariff downward, "unmistakably downward," and I believe that this covenant with the American people will be faithfully kept.

The bill now before the House is unmistakable evidence of the earnest purpose of the Democratic leaders to keep faith with the American people, and it will pass this House in due time, make no mistake about that.

If influences elsewhere are successful in stuffing this bill with the odious features so characteristic of Republican legislation upon the tariff, the responsibility will not be ours unless we adopt it.

Political death, swift and certain, awaits any Democrat who now doubts or falters. We were sent here to prepare and pass a tariff law which will bear the test prescribed by the Democratic platform adopted at Baltimore; if any Democrat in whom the people have reposed trust and confidence now betrays them, it were better for him that a millstone were tied around his neck and that he were then cast into the bottomless sea. [Loud applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. PALMER].

Mr. PALMER. Mr. Chairman, I do not propose, in the time which I shall occupy, to discuss the various theories upon which the different political parties in this country would write tariff laws. I do not propose to pay any attention to the tariff question as an academic proposition. It seems to me that the country during the past four years has had a surfeit of tariff discussion and that what the people are interested in now more than anything else is the purpose and the effect in a practical way of such tariff legislation as any political party proposes to the American people. I shall occupy my time, therefore, first, in submitting some general observations upon the effect and purposes of this proposed law, intended, at least, to be of an entirely practical nature. And then, if time permits, I shall hope to pay some attention to the details of one of the schedules of this tariff law which is of greatest interest to the great industrial State which I in part represent upon this floor.

Before proceeding, however, I want to accept this opportunity to put into the RECORD, on behalf of his Democratic colleagues on the Committee on Ways and Means and on behalf of his party associates on this floor, a grateful acknowledgement of the large debt which our party and our country owe to the distinguished chairman of the Ways and Means Committee. [Loud applause on the Democratic side.] His name will go down in the history of the Republic along with those of other great legislators of past days, enduringly associated and linked with a great revenue measure. He will take his place when this law goes upon the statute books amongst the immortals of this Republic. [Applause on the Democratic side.] His unflinching courtesy, not alone to members of this committee and members of his party in the House, but to Members generally and to those citizens of the country who have come here to see us because interested in this legislation; his uniform good judgment and sound common sense; his consummate tact and his infinite patience under any and all circumstances, have been the most powerful factors in making this great bill what it is. [Applause on the Democratic side.] His party can never pay to him the debt which it owes, unless—perhaps I should say until—it rewards him with the honor of the only office in the Republic which is larger in power and responsibility than that which he now occupies. [Loud applause on the Democratic side.]

Mr. QUIN. We are going to do that.

Mr. PALMER. I have seen suggestions—principally in a hostile or, at least, critical press—that the name of another, or the names of others, will necessarily be linked with his in giving a title to this great tariff bill. There has been cooperation on the part of others in high official place in the preparation of this bill, and I am glad that that is so; but there is no man in the Nation, in public station or in private life, who believes that any other has had sufficient to do with the preparation of this law to permit his name to be linked with that of OSCAR UNDERWOOD as its maker. [Applause on the Democratic side.]

There is another thing I want to remark before I begin what I intended to say. Some reference has been made upon the floor and elsewhere, principally by these neophytes in legislation who come here as so-called "Progressives," by way of severe criticism of the methods which have been employed in the preparation of this bill and its submission to the Congress. I think I can say with entire truth that no tariff bill which has ever been presented to the House of Representatives has received more careful study, thought, attention, and consideration at the hands of its makers than has this bill. We have been studying this question, yes, we have been writing this bill, constantly for more than two years in the Committee on Ways and Means. We began with the opening of the Sixty-second Congress, even before, and by bringing into the House various laws amending various schedules in the bill we were compelled, even had we not

been willing, to give the deepest and closest attention to the question as far as those particular schedules were concerned. Upon the elections in the country going in favor of the Democratic Party, when it became apparent that it would be our duty to write a general revision of the tariff laws, the Committee on Ways and Means began its open sessions.

It listened to manufacturers and others interested, coming from all parts of the country, for nearly 30 days, sitting from 10 o'clock in the morning, almost daily, far into the night. Since that time its members have granted informal hearings to perhaps thousands more who have been interested on both sides of this great question.

There has not been a day since the opening of the Sixty-second Congress, more than two years ago, when the experts employed by the Ways and Means Committee have not been at work compiling statistics and gathering facts and lending assistance to the members of the committee in the preparation of the various schedules in the law; and when these hearings, formal and informal, had been completed the Committee on Ways and Means, or the majority members of it, in accordance with the custom that has obtained in this House during all its history, went into executive session apart from their brethren of opposite faith and spent nearly two months and a half in daily sessions writing the details of this proposed law.

When that work was completed, in striking contrast with the precedents in this House, the bill was published to the country and given to our opponents at least three weeks before they were asked to consider it or vote upon it in committee or in the House. Four years ago the first knowledge which the minority, then the Democratic members of the Committee on Ways and Means, had of the terms of the Payne bill was when it was laid in front of them in the Committee on Ways and Means and they were asked to vote upon the proposition of reporting it to the House. This year the bill was in the hands of the Republicans in this House and in the hands of the people of the country for three weeks, and during most of that time the Democratic membership of this House considered the bill in caucus, where every Member was given the fullest, the freest, and fairest right, not only to discuss every single item in it but to amend it in every particular in which he desired to submit his proposition to the caucus.

There never has been a time, I repeat, when there was such careful, thorough, and painstaking consideration of the terms of a bill, or such an earnest and honest effort to give every man a fair and free chance to express his views and impress them upon the legislation of his country, to participate in which he was sent here by his people.

There can be no question as to the attitude of the American people with respect to the present tariff law. The demand for a substantial reduction in the rates of duty has been long continued, insistent, and widespread. It began before the enactment of the present law, became louder on account of the failure of that law to satisfy in any part the claims of its sponsors, and is to-day so general that it is accepted by all parties as, in itself, ample justification for an immediate and thorough revision of the tariff rates. No issue in the history of the Republic was ever more squarely presented to the people, more thoroughly discussed by the people, nor more definitely settled than this.

The Democratic Party, therefore, approaches the work now in hand with no misgiving as to the popular call for action and with no doubt that its action, as indicated by this bill, responds to the will of the people plainly expressed. We entered into solemn covenant to do this thing, and we present this bill as the redemption of our obligation. If enacted into law in substantially its present form it will meet with the approval of the Nation and remain upon the statute books for years to come as the happy solution of a long-vexed question if, and only if, two conditions obtain after its enactment. It must have the united support of the political party which is responsible for it, and it must permit American industry to proceed toward the capture of a larger share of the world's markets without causing an embarrassment, resulting from the changed conditions, sufficient to bring distress to any large body of our people. We who so firmly believe that every tax law should be written without fear or favor, we who have long and hitherto fruitlessly contended that the protective system is built upon a structure of special privilege for the few at the expense of the masses of the people must be quite as deeply interested in the permanency of our work as in the mere doing of it. If it shall so turn out that the Underwood law shall be so weakly nourished in the confidence of the people that it fails to survive the great test of the next popular election, our wasted effort will be a small burden for us to carry compared with the increased iniquities that will be heaped upon an unsuspecting people by the sudden return to the oppressive system of tax-

tion from which we hope to relieve them by this bill. [Applause on the Democratic side.]

Theory may write a tariff bill but it will not keep it on the books. [Applause on the Republican side.] I am glad we all agree about that. Economic truths may govern in the framing of a revenue law, but political and business conditions are more important in sustaining it when framed. [Applause.] We shall shut our eyes to the strong possibility of a repudiation of the time-honored theory upon which the Democratic Party would write its revenue measures if we do not consider with great care the political and business conditions of the times and so write the details of the law based upon that principle, and so present the finished work to the country as will most strongly appeal to the sound political sense and the good business judgment of a people peculiarly wise in political thought and exceptionally keen in business acumen.

No tariff bill has ever remained long upon the statute books which failed to enlist the united support of the party which was responsible for it. The Wilson law received its death knell when a Democratic President denounced it in unmeasured terms. The Payne law never had a chance to live after a large section of the Republican Party had left upon it the scars which resulted from efforts to strangle it at its birth. A great people will never accept the handiwork of men who quarrel over their creation. [Applause on the Democratic side.]

We have, I hope, learned of history. The opposition of the Republican remnant upon this floor and elsewhere, like that of the Progressive embryo [laughter], will be readily discounted. The people expect it. Opposition of any considerable element within our own party, unless it be that of special interests, whose antagonism may be considered a credit to the bill, will doom the law to an early repeal.

Realizing these things, and having no hope or thought that the tariff can ever be settled upon its economic truths without resorting to its political phases, I am one of those who view with equanimity the so-called invasion of the rights of the legislative branch of the Government, which is involved in the close cooperation in the preparation of this bill which has obtained between the Executive and both branches of the Congress. [Applause on the Democratic side.]

That cooperation gives promise of the prompt completion of a well-settled program and foreshadows the hearty support of this bill by the great leaders of our party in public station and in private life. I indulge the hope that this unity of party support, when we shall have finally presented the bill to the country as a finished piece of legislation, will not be marred even in slight degree by the opposition of those Representatives whose particular localities have necessarily suffered more than their duty to the people they immediately represent permits them to promptly forget. Heretofore the greatest obstacle which the Democratic Party has met in its desire to be intrusted with the people's commission to rewrite the revenue laws has been the fear—sometimes well grounded in the outspoken zeal of men who in the catalogue go for Democrats—that special interests of special localities might sway a considerable number of our party's representatives from the true Democratic purpose. This fear has been largely dispelled by the action of our party upon this bill. It ought not now to be realized in any degree by the failure of Members on this side of the Chamber, however few in number, to forget their selfish local or political interests in the common purpose to execute the plain mandate of the people to reduce the burden of tariff taxation for the benefit of all. [Applause on the Democratic side.]

No man can get all he wants in legislation. This bill is not as I would have written it if I had alone been intrusted with its preparation. It is not as any one man would have written it. No tariff law ever was. But as a whole it is the best tariff law ever written, and it is the only one in the time of any Member of this body which has approached the true principle which should govern the levy of indirect taxes. [Applause on the Democratic side.]

Every man who calls himself a Democrat and knows why believes that. Therefore, in the interest of the permanent establishment of that true principle as the fiscal policy of the Nation, we should and must sink our individual views about particular items in support of the general proposition, forget the interests of particular localities in the accomplishment of the general good, and send this bill to the country with the solid, enthusiastic, and united support of the only political party from which, by reason of the present unusual political conditions, the country has a right to expect sufficient strength for some years to come to write its purpose into law. [Applause on the Democratic side.]

No man will gainsay that the Democratic Party is pledged, both by its platform declarations and by the repeated assurances of its candidate for President, not alone to fix the tariff rates with the sole design of producing revenue for the Government, but to fix them in such a way as will not injure or destroy any legitimate industry. No change in any tariff law of any moment could be made without affecting industry. It would be a change not worth while if it did not. No change which is considerable enough to yield a benefit anywhere can be made without corresponding temporary impairment of the profits of industry pending readjustment to suit the new conditions. Every business man knows this. But such temporary impairment is a very different thing from that injury or destruction of legitimate industry which the people have a right to believe we will not permit.

I am not a protectionist in any sense, but I would hate myself if I thought I had been a factor in writing a law which would destroy any industry which could show under present-day economic conditions a right to exist without undue taxation of the people. [Applause on the Democratic side.] However much we may disapprove of it, we can not fail to realize that in many lines of industry a partnership has existed, under Republican-made law, between business and the Government—a partnership which, so far as business is concerned, was entered into in perfect good faith. That partnership has continued through a long period of time, though at great cost to the people who had been deceived into permitting its inception, and it would be nothing short of a breach of faith for the people's representatives now to break that partnership by withdrawing suddenly and at one time all the capital which the Government contributed to the enterprise. Business has had fair notice that the terms of the partnership are to be modified, that the amount which the people will contribute to make the enterprise profitable for the working partner is to become rapidly less and less, and the share which business itself must contribute in the way of efficiency and economy in production must be steadily more and more. Business now may take notice that as to such enterprises as can not meet the new conditions, by reason of the neglect, refusal, or inability to employ that efficiency and economy which will permit industry to stand upon its own feet with less support from the Government, the people refuse to be longer taxed to accomplish the survival of the unfit. [Applause on the Democratic side.]

I violate no committee secret when I say that the framers of this bill have kept present-day business conditions constantly in mind in its preparation. And I state it as my deliberate judgment that when this bill shall become a law and its effects have had an opportunity to spread through all the branches of American industry it will not cause any decrease in the aggregate production of industry in the country, and consequently will not impair the earnings of the labor of hands, which is at the bottom of all production. It may stop a wheel or drive the smoke from a chimney here and there. It will undoubtedly cause to some extent a readjustment of the uses of capital and a decrease of investment in industries where we do not excel, but that readjustment of capital will result in increased production by reason of larger investment in those lines of business endeavor where we do excel. [Applause on the Democratic side.]

If the aggregate production remains the same, the demand for labor will continue the same; and if the demand for labor continues the same, the price of labor will not go down. Men get the best results from that line of endeavor which suits them best. Capital makes its best return out of that which it can produce the cheapest. When men who have capital to invest realize this, then the men who have labor to sell will give to their employers a larger return for their wage in their labor's production and will command a larger share in the product.

The increase of importations under the proposed law, by reason of the reduction in the rates, will constitute but a small percentage of the total production of the articles covered by the schedules of this law, and such increased importations, while resulting in increased competition and consequent reduction of prices to the people, will not result in a decrease of the aggregate production nor in a loss of reasonable profit to the producer. And this by reason of the operation of a well-known law of trade. Every dollar of imports must be paid for, and it is a truism with reference to the world's trade that this payment takes place not in money but, in the last analysis, in the product of the country for the export trade. Increased imports mean increased exports, and this enlargement of trade is bound to result in our people buying that which can be made cheaper abroad than here, while we sell abroad that which can be made cheaper here than there.

And it is only in exceptional cases that a reinvestment of capital or a readjustment of labor will have to be made, and in most of these it will be a gradual change. In the vast majority of the highly protected industries where our rates have been written at a figure slightly below the difference in the cost of production at home and abroad they will result in only a moderate increase of importations. These imports will be kept down to the point of safety to American industry by reduction in the price of the manufactured articles for the benefit of the home consumer—a reduction which will come from the profits, in too many cases grossly exorbitant, of the American manufacturer. [Applause on the Democratic side.]

I have no fear that the American wage earner will suffer unless the American manufacturer shall feel that widespread distress on the part of labor is not too high a price to pay to compel a return to the old protective system [applause on the Democratic side] and deliberately close his mills and throw his labor out of employment in order to frighten the people of the country into a repudiation of this new policy. I have more respect for the patriotism of the American manufacturer than to believe that he will do this in any general way, and too much confidence in his courage and ability to expect him to feel the necessity of resort to such methods.

Under every law of business labor will be not the first, but the last, to feel the effect of the decreased price of the product to meet increased competition. And it is almost inconceivable that American business men will attempt to reverse the general rules of division of earnings for political effect. A reduction in the selling price of the product of any plant which makes the profit and loss account of the producer at the end of the year show a less favorable figure is charged up to the returns received by those who contribute to the product in the inverse order of the lien of their contribution. The original capital is always reached last in the distribution of profits.

Interest on that portion of the invested capital which is carried as funded debt is necessarily taken care of first. The absolutely first mortgage upon the business is the capitalized cost of labor, and the first charge to be met is the wages of that labor. Out of gross income, arrived at by deducting the costs of materials from the results of sales, must first be distributed wages; next, interest and depreciation of plant; and third, returns to the contributors to the capital fund. These last returns in manufacturing enterprises in this country have on the whole been so generous as to challenge the wonder of the world, and I am firm in the belief that the result of increased competition, flowing from a reduction of the tariff barrier, when charged against these returns of capital, will in but few cases reduce them below such a figure as money in other branches of business activity is wont to earn. And as long as capital receives a sufficient return to justify its employment production will go on, and all charges, prior in lien, to the returns on capital will be met.

Most American manufacturers, while publicly protesting that drastic cuts in the tariff rates will ruin their business, in private admit that under rates largely reduced they can survive without decreased production, though with less profits, if market conditions in all producing countries should remain normal. The great industrial bugbear seems to be the fear of overproduction in foreign countries, followed by flooding this market at prices which neither producer, home or foreign, could afford to make general. Many large operators in the textile trades and nearly all in the iron and steel industry—that unerring barometer of American business conditions—admit no fear of the foreigner's normal output, but profess to see destruction in the marketing of his surplus stock. It is a perfectly justifiable fear and one well calculated to give pause to radical tariff reductions. It brings us face to face with the most perplexing problem which we must meet in our effort to lower tariff taxation without injury or destruction to legitimate American industry. It is a problem which no body of tariff makers in the history of the country ever had to grapple with before—the problem growing out of the difference in the attitude of our country and that assumed by other producing nations toward trusts and combinations and its necessary corollary, the world-wide trust. In this country the tendency of public opinion, voiced in legislative enactment and executive action, is against these great combinations. Not only is their formation discouraged and anything which smacks of suppression of competition frowned upon, but such as have been formed in violation of law are being disintegrated and old competitive conditions, wherever possible, restored. In foreign producing countries the tendency is in the opposite direction. Not only are combinations of capital with resultant economies in production and suppression of competition permitted, but they are actually encouraged, fostered, and

participated in by the Governments themselves. What a cautious, law-abiding business man would do here at the risk of his fortune or his personal liberty brings a medal of honor from his Government to the great manufacturer abroad. In Germany there is at least one case of the Government itself, in effect, operating a great manufacturing establishment under a deed of trust of a former owner for the benefit of the employees, the factor of owners' profits being largely eliminated when the product enters the markets. More, subsidies and freight tariff rebates are the common practice to encourage foreign trade, and established Government agencies in nearly every market sell the manufacturer's product with little cost to him until his trade is finally rooted. These systems make the dumping of foreign surplus product in the American market a part of the regular business of the producer in those countries, and consequently compel the American manufacturer to meet competition under abnormal conditions under tariff rates levied with due regard for conditions that are normal.

To meet this situation we have done two things. In the case of world-wide trust, having their own plants everywhere and now permitting no imports into this country, we have placed their products on the free list. The American producer being a part of the world trust and helping to exploit this market by suppression of competition, it is believed that absolute free trade may encourage venturesome capital in foreign countries to oppose the un-American system now largely in vogue abroad, and thus enter our markets to the advantage of our home consumer.

Where the American branch of such world-wide trusts—as in the case of the Aluminum Co. of America—is unable, though having a perfect monopoly, to supply the home market and imports from its associates abroad yield large revenues to the Government, we have retained some duty upon the product for revenue purposes, but placed their trust-controlled raw material upon the free list, to encourage imports of the raw material for consumption here by such capital as will see the opportunity to get a part of this market by building plants to compete with the American branch of the trust. By such means no Democratic principle is violated. Trust-controlled products go upon the free list, except where no object would be gained except loss of revenue, opportunity is given for freer competition both at home and with foreign producers, and the evils to the consumer which flow from combination in restraint of trade, both domestic and international, are minimized so far as may be by a tariff law.

To meet the just complaint of the American manufacturer that he can not know what competition he must meet as long as the foreigner can sell here below his home market price and sometimes even below his cost of production, we have inserted in this bill what is known as the dumping clause, which provides:

That whenever articles are exported to the United States of a class or kind made or produced in the United States, if the export or actual selling price to an importer in the United States or the price at which such goods are consigned is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned, and the said fair market value thereof for home consumption, provided that the said special duty shall not exceed 15 per cent ad valorem in any case and that goods whereon the duties otherwise established are equal to 50 per cent ad valorem shall be exempt from such special duty.

Mr. WALLIN. Will the gentleman allow me to ask him a question?

Mr. PALMER. Certainly.

Mr. WALLIN. How will you prevent the manufacturer on the other side giving a special discount on goods shipped over here?

Mr. PALMER. That would be a violation of this dumping clause, because it would be importing their goods into this country at a less price than the fair home market price.

Mr. WALLIN. Their invoices would show the fair market price, but they could easily have an understanding, and have a subsequent discount to go back, that would get the goods in here at the underprice just the same.

Mr. PALMER. That is simply assuming that this law is not going to be enforced. Every American manufacturer who complains of the dumping of foreign manufactures will tell you that he complains because he knows that his foreign competitor does this thing. If the American manufacturer knows it, his knowledge will be at the command of the administrative officers of the Government for his own interest, and there will be no difficulty in establishing the fact that the foreign manufacturer is dumping his product into this market at a price below his own cost of production.

Mr. WALLIN. That will be very hard to prove.

Mr. PALMER. We have provided carefully for the execution of this feature of the law by giving the officers of the Government the power to inspect the books of the foreign manufacturer, and if he is unwilling to yield to that request, then his goods can not come into this market.

Mr. COOPER. I understood the gentleman to say, in reply to the question of the gentleman at my right [Mr. WALLIN], that the American manufacturer would know whether goods were being dumped here in competition with his products, and that he would protest. The gentleman from Pennsylvania is making a straight protective argument. He is trying to protect the American manufacturer against unfair competition, according to his own statement. Is not that true? And that is unconstitutional, according to your party platform. [Applause on the Republican side.]

Mr. PALMER. I anticipated that some thoughtless person on the other side [laughter on the Democratic side] would ask some such question, and I will answer it by proceeding with the statement that under a high protective tariff such a clause would be further protection. Under a real competitive tariff it is simple justice. The Republican protective tariff works its purpose with truest fidelity to the real spirit of the principle when its rates are prohibitive. Prohibition of imports is the real thing in protection. It is what the manufacturer craves and what he has long secured in most cases, thanks to the willingness of the Republican Party to further enrich him at the expense of the people.

The chief relief which the consumer has been able to get in the past from the exactions of these high rates, normally prohibitive, has come from the willingness of foreign producers to dump their surplus here when conditions of trade abroad are abnormal at such low prices as permitted some competition here even after paying excessive customs duties. With the rates laid, however, as in this bill, on a competitive basis, permitting real and substantial foreign competition even under usual trade conditions, the American manufacturer has a right to expect that we shall keep steady the relative conditions which prevail when the law is written and under which they can continue to produce, though to somewhat less extent in some lines and with less profit in nearly all. That is the design of the dumping clause, and it will close the mouth of the American manufacturer against criticism of the law, while otherwise he would find a sympathetic audience in a people determined upon fair play.

Mr. COOPER. Will the gentleman from Pennsylvania yield?

Mr. PALMER. I will yield to the gentleman.

Mr. COOPER. If the foreign manufacturer or producer, agricultural or otherwise, sends his surplus product over here at a very low price, will that be in the interest of the consumer here?

Mr. PALMER. Undoubtedly it would be largely—

Mr. COOPER. Is not the whole talk of the Democratic Party that the American consumer is their special consideration?

Mr. PALMER. Oh, but we want to be fair—

Mr. COOPER. Are you protecting the American manufacturer?

Mr. PALMER. We want to be fair to the American consumer and fair to the American manufacturer. [Applause on the Democratic side.] With a prohibitive rate the consumer has no chance except when the foreigner dumps his surplus here. With a competitive rate we give the consumer his chance and his consideration; and in order to be fair to the American manufacturer, after having given the consumer his chance, we say we will hold conditions where they are when we give the consumer this chance. [Applause on the Democratic side.]

Mr. MARTIN of South Dakota. Will the gentleman yield?

Mr. PALMER. I will yield to the gentleman.

Mr. MARTIN of South Dakota. Has the gentleman from Pennsylvania, or anyone on behalf of the committee, made an approximate estimate as to what would probably be the increased imports under the new measure if enacted into law?

Mr. PALMER. I have not seen any estimate of that kind.

Mr. MARTIN of South Dakota. Has the gentleman from Pennsylvania any idea what the increased importations may reasonably be expected to be under these rates?

Mr. PALMER. I have seen no estimate. It is a difficult thing to estimate.

Mr. MARTIN of South Dakota. Does not the gentleman think it is an essential question in a tariff measure which may revolutionize or materially change the economic conditions of the country?

Mr. PALMER. They could not be large because they are limited to 15 per cent ad valorem.

Mr. MARTIN of South Dakota. I notice the language used by the gentleman from Alabama [Mr. UNDERWOOD] is that they expect material increases in importations, but no figures are given.

Mr. MANN. Will the gentleman from Pennsylvania yield?

Mr. PALMER. Not to ask me about figures, because I am not discussing estimates, for I do not have them now at hand.

Mr. MANN. The gentleman from South Dakota [Mr. MARTIN] and the gentleman from Pennsylvania are talking at cross purposes. I think the gentleman from South Dakota did not ask for figures or estimates under the dumping clause, but estimates under the bill generally.

Mr. PALMER. I understood the gentleman from South Dakota to be talking about the dumping clause.

Mr. MANN. The gentleman must have made some estimates under the bill generally, because there is an estimate of customs receipts.

Mr. PALMER. My recollection is that they amount to two hundred and eighty-six millions. The report will show that.

Mr. MARTIN of South Dakota. The report does not show the estimates as to what will come in under the increase of the free list. It gives an opinion as to what the importations will be made under tariff duties, but no estimate as to what may be expected as an increase in importations all along the line under the bill.

Mr. PALMER. I think if the gentleman will take the trouble to read the report, and I prefer that he should do that rather than to rely upon the memory of any man, he will find that the report goes fully into a comparative estimate of the importations and of duties under this law and the present law.

Mr. CULLOP. Will the gentleman from Pennsylvania permit an interruption?

Mr. PALMER. Yes.

Mr. CULLOP. Will not the greater benefit resulting from the enactment of competitive rates be in the regulating of the sale of home products and thus preventing monopoly in regard to manipulation of prices of home production?

Mr. PALMER. Undoubtedly. I have tried to show that. It is our contention, and I think it is absolutely demonstrable, that the increased imports which will come through the customhouse by reason of decreased duties will result in sufficient competition with the American manufacturer to compel him to reduce the price of his product for the benefit and relief of the American consumer without decreasing his production sufficiently to interfere with the demand for labor. In other words, the reduction in price of the product of the American manufacturer, by reason of the competition resulting from decreased duties, will be charged in nearly every case against the profits which capital in manufacturing lines of industry now earns in this country.

Mr. Chairman, I have fore sworn the pleasure of discussing the tariff problem as an academic or even economic question, and have evaded the duty of discussing this bill in some detail because I have felt that the effect of this law upon business is the thing in which the people of my own great industrial State are most interested. I am firmly convinced that, given the united support of our own party which will prolong its life until it can have a fair test, it will prove a boon to industry and a great benefit to all the people. It will reduce the price of many commodities which enter into daily consumption; it will push capital into lines where Americans readily excel and thus increase production here, and by removing the false work about the structure of American industry make it a stable and a self-sustaining structure ready to carry a greater share of the world's demands upon the product of capital and labor. [Applause.]

Now, Mr. Chairman, I desire to say a word or two about the metal schedule of this law. First, because our great State of Pennsylvania is perhaps more largely interested in that schedule than any other. For, as I have said on this floor before, in American industry to-day steel is king and Pennsylvania is the royal palace. Also because I had perhaps more to do with the framing of some of the details of that schedule than I had with any other schedule in the law.

A year ago, or a little more, we passed a revision of the steel and iron schedule through this House and through the Senate and up to the President where it was vetoed. It received little criticism worth while either in the House or in the Senate. It has received at the hands of the steel and iron manufacturers, of course, some criticism, but the most startling criticism which was made against the bill, and the one to which I desire to advert for a few minutes, was made by the then President of the United States when he attached his veto to the measure.

The CHAIRMAN. The gentleman from Pennsylvania has occupied one hour.

Mr. UNDERWOOD. I yielded the gentleman further time.

Mr. MANN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MANN. What was it that just took place between the Chair and the gentleman from Pennsylvania?

The CHAIRMAN. The Chair stated to the gentleman from Pennsylvania that he had occupied one hour, and the gentleman from Alabama stated that he had yielded further time.

Mr. MANN. I suggest that these things be said so that the House can hear them.

Mr. UNDERWOOD. When the gentleman from Pennsylvania took the floor I yielded to him without limitation of time, and I called the attention of the Chair to the fact.

Mr. MANN. I was not criticizing the gentleman from Alabama or the gentleman from Pennsylvania, but the House desires to know how much time is yielded.

Mr. UNDERWOOD. I did not yield the gentleman from Pennsylvania any specific amount of time.

Mr. MANN. When the gentleman from Alabama yielded to the gentleman from Pennsylvania no one could hear what took place.

Mr. PALMER. Mr. Chairman, I trust this is not to be taken out of my time.

Mr. MANN. The gentleman from Pennsylvania has unlimited time.

Mr. PALMER. I am sure the gentleman from Illinois knows that I do not often abuse the time of the House.

Mr. MANN. I assure the gentleman it is a delight to hear him at any time.

Mr. PALMER. And I shall not take up much more time. The President, as I was saying, declared in his veto message that consideration had evidently been given to the tariff rates upon the heavier forms of iron and steel, but little or no consideration had been given to the rates upon the finer forms of products of iron and steel covered by the schedule; and because, therefore, he was unwilling to agree that the rates upon the finer forms of steel and iron products should be cut so drastically as we had cut them, and for other reasons, perhaps, he would refuse to sign the bill.

Mr. Chairman, on the same day that the President of the United States was making that declaration to the American Congress one of the greatest manufacturers of these finer forms of iron and steel was making an exactly contrary declaration to the American people and to the world. Upon the same day that the President refused to sign a law which would have given relief to American consumers of the articles covered by this schedule, because the manufacturers of the finer forms of steel and iron could not stand the cut, the great firm of Henry Disston & Son was advertising in a copy of the Saturday Evening Post issued on that day, August 14, 1912, this significant and, to my mind, illuminating argument to sell their wares. They call it "a little incident with a world-wide meaning," and at the top of their advertisement they place the facsimile of a letter dated "Amboy, Minn., February 24, 1911," and which reads as follows:

DEAR SIRS: Please send me some of your saw-filing hints and a catalogue showing some of your products.

Gentlemen will remember that the Disston people are manufacturers of saws and tools, files, hammers, hatchets, trowels, and, in fact, about all of the small finer articles by way of tools in the iron and steel trade. Their correspondent goes on to say by way of postscript:

I sent to Germany for one of the best saws they could get, and when it came it had "H. Disston Sons" on it. Then I laughed.
S. O. WIEHL, Amboy, Minn.

Mr. Chairman, I should think he would laugh, and the President ought to have laughed, when he was upon the same day sending his message to Congress, over the fact that an American farmer out in Minnesota anxious to get the best and the cheapest tool that he could buy finds that he can get it after American labor at American wages has produced it in the city of Philadelphia, and after its producer has paid the freight tariff across the Atlantic Ocean and the custom tariff into Germany and the freight tariff back to Liverpool and the ocean freight to New York and the freight rates all the way up to Minnesota. I should think he would laugh; but they go on to say:

The first impression of this letter is one of amusement. Then its true and tremendous significance seizes upon the mind.

We could as well have quoted a similar letter that went to England and brought back a Disston saw. There are other countries where saws are manufactured, but in them all the same recognition of the Disston standard prevails.

Disston supremacy is not only world wide but world complete. It rests upon 72 years of progressive experience.

The demand for Disston saws has penetrated by sheer merit not only through every center of civilization but to every remote saw-using settlement and camp on the earth's face.

The Disston standard is everywhere held highest. In England and all her colonies—in Canada, Australia, New Zealand, Tasmania, India; and in Germany, Russia, France, Austria-Hungary, and every European country, including Turkey and Greece; and in Egypt and north, south, east, and west Africa; and in China, Japan, Siam, Korea, Siberia—all Asia; and in the Philippines, Straits Settlements, Samoa, Sumatra, Java, Ceylon, Borneo, Hawaii, and South Sea Islands; and in Brazil, Patagonia, the Argentine, Chile, Peru, all South and Central America, and Mexico—in these and innumerable smaller saw markets the term "best" and the term "Disston" mean the same.

So much for saws and files and tools and hammers and hatchets and the finer products of the steel and iron schedules in this bill.

Mr. PAYNE. Mr. Chairman, will the gentleman yield?

Mr. PALMER. Certainly.

Mr. PAYNE. As I understand the Disston statement, it referred to saws, but whether the President had saws in his mind is another question. He may have had cutlery or razors. In regard to razors the bill then reduced the duty to 35 per cent, while this bill raises it to 50 per cent. Unless the President was right, why did you raise that duty? Was it because of the hearings before the Senate committee that demonstrated the fact that under a 35 per cent duty the razor industry in this country, as well as other cutlery industries, must go? [Applause and laughter on the Republican side.]

Mr. PALMER. Mr. Chairman, the Disston people are referring, according to their advertisement, largely to saws, but they mention and picture all of their other products alongside of the advertisement.

Mr. PAYNE. They make machine-made goods.

Mr. PALMER. Yes.

Mr. PAYNE. And these people, who have to employ the hand labor to make the little things that are so numerous and are so widespread and involve such a large amount of capital, were the people the President evidently referred to, and the gentleman and his party has proved that the President was right in regard to this thing. [Applause on the Republican side.]

Mr. PALMER. Evidently there is a wide disagreement about what the President was referring to, even amongst his Republican friends, because last year, when this advertisement appeared, I called it to the attention of another distinguished Republican member of the Committee on Ways and Means, not now a Member of the House, and he said that that might be true, just as the gentleman from New York [Mr. PAYNE] says about saws, but, said he: "There are other things in this steel and iron schedule in which you Democrats have ruined the American industry," and I asked him to name one and he picked out a different one. He said, "Watches, for instance." He said: "You have cut the entrails out of the watch business in this country." Why, that was so curious that it was funny, because in this very same magazine, on the same day, on the opposite side of the very same sheet was an advertisement of the American Howard watch in which they say, these American manufacturers of watches, "Six hundred thousand Americans go abroad every year. Once an American tourist preferred a foreign watch; now he goes to Europe with a Howard watch bought over here, or he comes back with a Howard watch bought over there." [Applause on the Democratic side.] I told a friend of mine who is a manufacturer over here in Baltimore about these advertisements. He is in the shoe business. Of course, he is a protectionist.

I think if I had been a shoe manufacturer in recent years I might have been a protectionist myself. He said, just as the gentleman from New York [Mr. PAYNE] said, that this may be true about saws and tools, files, hammers, hatchets, and may be true about watches, but it is not true about shoes. Every fellow in his own line of business believes he is up against the worst competition.

Mr. SWITZER rose.

Mr. PALMER. In just a moment. Well, I went out and bought another copy of the Saturday Evening Post. The first thing I saw was an advertisement of a great American shoe, the "Walk-Over." They call it themselves "the shoe for you," and they say, "More than 17,000 pairs bought every day. From Alaska to California, from London to the Fiji Islands, in 84 countries, Walk-Overs set the style for shoes." [Applause on the Democratic side.] I expect, if the gentleman will permit me, when I go out on the street and buy a copy of the Saturday Evening Post, I can prove to him, out of the mouths of the manufacturers of cutlery, that American cutlery are going abroad. [Applause.]

Mr. PAYNE. Why did you raise the duty in this bill from 35 per cent in your former bill to 50 per cent now? Now, this man of straw does not answer the question.

Mr. PALMER. Well, we made a change in the classification of pocket cutlery and razors, making two classifications instead of one, because we considered that one rate on all the pocket

cutlery and all the razors would be prohibitive as to some while competitive as to others, and therefore, in order to induce competition for both branches, and especially to the more expensive grade of cutlery and razors, we made the two classifications instead of one as in the previous bill.

Mr. PAYNE. They are exactly in line with the President's suggestion, of course. If the gentleman will go far enough back—it will not be a great while ago—in the Saturday Evening Post, he will see gravely asserted there that the woolen schedule in the present law is 50 per cent higher than the woolen schedule in the law that preceded it. He can find almost anything in the Saturday Evening Post. [Laughter on the Republican side.]

Mr. PALMER. I am not speaking of correspondents' articles in the Saturday Evening Post, but about the admissions of American manufacturers placed in the paid advertising columns of the magazine to induce trade, and their admission must be taken as the truth, as far as the foreign trade is concerned.

Mr. PAYNE. May I ask the gentleman about the dumping clause, to go back to that? Of course, the gentleman knows that Germany and some other foreign countries pay an export bounty on goods in order to get them into this country, and in that way they are able to get them in. The Government even pays it, and in that way they are able to get into this country with their goods and get around the duty, and especially is that so on sugar and other items—and for the next three years there is a duty on sugar in this bill. This dumping clause does not seem to meet that proposition in any way. It is not the sale here by the manufacturer of an article cheaper than the price there. He gets the same price, but somebody else pays the bounty, and in that way he can get his goods in, notwithstanding the duty here.

Mr. PALMER. I think the gentleman from New York will find as to all of these items—he is speaking of the item particularly of sugar, I assume—that as to most of these articles in the export trade there is no bounty upon those which enter into competition with American producers, although there is a very considerable concession in freight rates and the establishment of commercial agencies by Governments abroad—

Mr. PAYNE. Established by the Government and paid for by the Government.

Mr. PALMER. In my judgment, that will not complicate the administration of this clause in the tariff law.

Mr. PAYNE. On the other hand, does not the gentleman think it will entirely nullify the effect of it if they ever get to that question and get beyond the question of undervaluation and the impossibility to prove it?

Mr. PALMER. I think it is just as easy to determine the market value of the article for the uses of the administration of this dumping clause as it is to determine the market value as the gentleman from New York wrote it into his bill, for administrative purposes. If one is impossible, the other is impossible.

Mr. PAYNE. And notwithstanding all that, we have this almost universal effort by fraudulent undervaluation to evade every ad valorem duty in the existing law; and the gentleman's bill only aggravates that by multiplying the ad valorem duties in this bill.

Mr. PALMER. I am afraid that the gentleman from New York [Mr. PAYNE] has not yet done us the honor to read the administrative features of this law or he would not make such a statement.

Mr. SWITZER. I have a constituent who manufactures galvanized steel sheets. He desires to know why you have changed the specific duty of \$2.50 a ton on manganese to 15 per cent ad valorem, which he says now at present price will make it \$8 or \$9 a ton? I am asking for information. I am not acquainted with the steel or iron business personally. He says it is an increase of 300 per cent, and the tendency is to protect the United States Steel Corporation against independent producers like this steel plant in my district.

Mr. PALMER. I will answer the gentleman's question, but I do not want him to make a speech in my time. He asks for the reason for the change of this rate on ferromanganese. I had intended to leave that to the discussion of the bill under the five-minute rule, but I have no objection to saying now that our purpose in making the rate on ferromanganese was entirely as a revenue-producing proposition. The new rate does not protect the United States Steel Corporation. The fact is that ferromanganese in this country is not made for sale by anybody. The United States Steel Corporation makes ferromanganese for its own use exclusively, and does not sell a dollar's worth that I have ever heard of. All other consumers of ferromanganese in the country import it. And we have believed, in view of the fact that it is such a small part of the final cost of the

product of the steel manufactures of the land, that it was the proper place for the levying of a purely revenue duty. And we have come to the same conclusion in respect to that which the Payne committee came to and stood by until the pressure of American manufacturers became too strong for them in the Sixty-first Congress, and in conference they were compelled to take the duty off ferromanganese by a subterfuge, throwing it into the pig-iron schedule, where it had no business to be.

Now, let me tell you one thing further about ferromanganese. There is 1 per cent of it in a ton of steel. The present price of ferromanganese is unusually high. I think it is about \$60 a ton.

Mr. SWITZER. It has been \$180 a ton.

Mr. PALMER. Oh, no; it has not. I never heard of ferromanganese at \$180. The gentleman is thinking of some of the other ferro alloys, which run to immense prices. It means, then, 60 cents worth of ferromanganese goes into a ton of steel, and our tax at 15 per cent means that the American steel manufacturers will pay a tax to the Government of 9 cents even at this high price upon every ton of steel produced. I have never believed that such a small tax could be carried into the final product of the steel and iron manufactures so as to be of any material harm to the consumer, and believe, therefore, that these steel and iron manufacturers ought to pay, especially with ore on the free list largely for their benefit, this small tax upon their product.

Mr. COOPER. Will the gentleman permit one question?

Mr. PALMER. I yield.

Mr. COOPER. Does the Steel Trust make all the ferromanganese it uses? I understand it does.

Mr. PALMER. Yes.

Mr. COOPER. Then the trust would pay no tariff on ferromanganese, but the independent iron manufacturer would.

Mr. PALMER. I have said that.

Mr. COOPER. I did not hear the gentleman say it.

Mr. PALMER. I said exactly that, that there is no ferromanganese made in this country for sale. The steel and iron corporation makes ferromanganese for its own use, and all other producers of steel and iron buy ferromanganese from abroad. When the Payne law was written they had ferromanganese at even a higher rate than this.

Mr. COOPER. Then, if the gentleman will permit an interruption—

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. PALMER. I yield.

Mr. COOPER. If the Steel Trust makes its own ferromanganese and does not import any, and all the other manufacturers, the little fellows, do import it, the Steel Trust will not pay this duty, but the small manufacturers will. Will not that be the situation?

Mr. PALMER. Well, we can not write a law that will make everybody pay a duty at the customhouse.

Mr. COOPER. But we are expected to write a law that will not discriminate in favor of the trust and against the independent producers.

Mr. PALMER. This will not protect the United States Steel Corporation in any particulars, because it does not sell this article.

Mr. SWITZER. If the gentleman will permit, how does it help the poor man by placing a duty of 300 per cent on all that he uses?

Mr. PALMER. I have not said that this is written to help anybody. It is written in the law as a tax, which we think the steel and iron manufacturers ought to pay, and ought to be willing to pay.

Mr. SMITH of Minnesota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. PALMER. Yes; but I am anxious to conclude.

Mr. SMITH of Minnesota. If I correctly understood the gentleman from Pennsylvania, he stated that this was an advantage to the Steel Trust to the amount of 9 cents a ton.

Mr. PALMER. Well, the gentleman has not understood me correctly, and I refuse to have remarks of that kind put into the remarks I may make. I refuse to yield further, Mr. Chairman.

Mr. MURDOCK. If the gentleman will permit, the gentleman says there will be a payment to the Government of 9 cents a ton?

Mr. PALMER. At the present price, which is a high price.

Mr. MURDOCK. Under the gentleman's theory, who pays the tax?

Mr. PALMER. Of course the consumer pays the tax. No man now will argue anything to the contrary. The consumer

pays it. There is no doubt about that. But we ought to levy the tax on the consumer, where, when the consumer does pay it, it will be so distributed as to be the least burden to him. I say, with reference particularly to ferromanganese, that there is not an item in all the tariff law which enters in such a small degree into the final cost of the product which the consumer does actually buy and use as it, and since we must levy a tax on the consumer, which the consumer must undoubtedly pay, to operate the Government, it is as easy a place as I know of, and a place where it can be laid with the least burden in all the length and breadth of this law.

Mr. AUSTIN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. PALMER. I do; but I am anxious to conclude.

Mr. AUSTIN. I want to ask the gentleman one question. I want to know who appeared before the Committee on Ways and Means and asked for iron ore to be put on the free list?

Mr. PALMER. We put iron ore on the free list in the Underwood bill in the Sixty-second Congress. So far as I recall, there was not anybody who came before the Committee on Ways and Means and asked us to do it again. I suspect it was assumed we would.

Mr. AUSTIN. Is it not a fact that everybody who appeared here protested against iron ore being put on the free list, and that nobody asked you to do it?

Mr. PALMER. Well, it is also a fact that every American manufacturer, practically, who came before the Committee on Ways and Means during all our hearings protested against our reducing the tariffs to any degree. The problem we had to face was different from and harder than that which the Republican committees have always had to face. We were compelled to write this law in the interest of the people against the protests of these manufacturers, while all that you had to do was to write into the law what the manufacturers asked you to put there. [Prolonged applause on the Democratic side.]

Mr. AUSTIN. One more question. You say you are not writing this tariff bill in the interest of the manufacturers?

Mr. PALMER. I said we were writing it to be fair to the American manufacturers.

Mr. AUSTIN. Did it not appear in the testimony that a steel company located in the gentleman's district and in the gentleman's town imported 350,000 tons of iron ore from Sweden, upon which the duty is 15 cents a ton, and the gentleman placed that iron ore now upon the free list of this bill?

Mr. PALMER. Well, I thought the gentleman from Tennessee, after having tried that same thing two years ago, would desist from any further effort to link me up with a desire to make profit for the Bethlehem Steel Co., of my district. I treat that company as I would treat all others. We are playing no favorites.

Mr. AUSTIN. I am not linking the gentleman with the Bethlehem Steel Co. I am asking the gentleman if this record does not show that statement to be true?

Mr. PALMER. I do not know whether it does or not. But I know that this is true, that the Bethlehem Steel Co., which operates in my district, does import iron ore. I say that frankly. And we did put iron ore on the free list. The gentleman knows as well as any Member of this House, however, that that was not done by reason of any effort on the part of the Representative of that district to get a special privilege for a producer in his district [applause on the Democratic side], because he knows, and has been told before, and knows it to be a fact that the present Representative of that district is not in any sense a spokesman for a great protected interest, either the Bethlehem Steel Co. or any other.

Mr. AUSTIN. I am not stating or insinuating—

Mr. PALMER. But implying—

Mr. AUSTIN. I am asking you if the record does not show what I have stated, and that the remission or the placing of iron ore on the free list benefits the steel corporation in your district to the extent of \$42,000 a year on importation of Swedish iron ore alone, taking that amount of money out of the Treasury and turning it over to the Bethlehem Steel Co.?

Mr. GORDON. What of it if it does?

Mr. PALMER. No; that is not an accurate statement. I go as far as the truth will permit any man to go when I say that iron ore is imported by the Bethlehem Steel Co. and that we have put iron ore on the free list. But iron ore is imported by many other independent steel or iron makers of the country besides the Bethlehem Steel Co., and the gentleman knows that. And I will say another thing to the gentleman, that the Bethlehem Steel Co. are large producers of the kind of steel which takes ferromanganese, and that company will pay a bigger tax on its ferromanganese by reason of the change in this law than

it will save by the putting of iron ore on the free list. [Applause on the Democratic side.]

Mr. LLOYD. Mr. Chairman, may I interrupt just at this point?

Mr. PALMER. I will yield to the gentleman.

Mr. LLOYD. In conversation with Mr. Schwab last night he made the statement that the worst enemy to the profits of the Bethlehem Steel Co. in the United States was their Representative in Congress, Mr. PALMER. [Applause on the Democratic side.]

Mr. PALMER. Well—

Mr. LLOYD. And, further than that, he said that he himself had put into the business \$35,000,000 in seven years and that he had made 20 per cent on his investment during that time. [Applause on the Democratic side.]

Mr. PALMER. I did not expect to go into any discussion about the politics of my district, but I think it is probably fair to say this, which states the full fact, that, while it may be true that the Bethlehem Steel Co. is pretty violently opposed to the present Representative of that district in Congress, the opposition of the Bethlehem Steel Co. is entirely confined to that of its chief owner, to the struggle of Mr. Schwab himself to keep me out of Congress, and while he may boast that he is my chief political enemy, I thank God that the men who work in his mills are my best political friends. [Applause on the Democratic side.]

Mr. NORTON. The gentleman from Pennsylvania has stated that the tariff on ferromanganese is a tariff for revenue only. In view of that statement, and in view of the statement that the gentleman at the left [Mr. LLOYD] has made regarding what Mr. Schwab said, do you not think it would be a very good idea for the Democratic Party, as a revenue measure only, to continue the tariff on Swedish iron ore imported by the Bethlehem people, who have made 20 per cent upon their capital during the last several years, and make them pay a little of the money for the carrying on of this Government?

Mr. PALMER. I have explained to the gentleman why we put iron ore on the free list. The iron ore in this country is practically controlled by the trust. The chief help which the independent can get, which he wants to get in fighting the trust, is free iron ore from abroad. If, after the statement I have made, the gentleman gets any satisfaction out of the fact that the Bethlehem Steel Co. will perhaps save a little money by free iron ore, he is entitled to it. It has not been enough to win the Bethlehem Steel Co. over to my support. I know that.

Mr. SUMNERS. I will ask the gentleman if it is not a fact that this bill reduces the tariff on the articles that the Bethlehem Steel Co. produces?

Mr. PALMER. Oh, very largely. We reduce the average ad valorem rate of duty under this schedule from 34.35 per cent to about 20 per cent. We reduce it all along the line, on every article which is produced by the Bethlehem Steel Co. in my district, and we have put upon the free list one of the chief products of the Bethlehem Steel Co.—steel rails. I do not believe any Member on this side has a right to play favorites with the interests of his own district, and my people do not expect me to do it.

I want to add just one thing about ferromanganese, so gentlemen may understand. Perhaps no tariff bill can be entirely scientific, but we are trying at least to write a bill which will be logical and symmetrical. I believe that the gentleman from New York [Mr. PAYNE], when he indulged in tariff making, tried to have logic and symmetry at least throughout his bill. We put ferromanganese in with ferroalloys of other kinds, just the same as the gentleman from New York did. Ferrosilicon, ferromolybdenum, ferrotitanium, ferrotungsten, and all those ferroalloys, all made in the crucible like ferromanganese, ought under every reason to bear the same rate as ferromanganese; and so we put them all in one paragraph at one rate, as the Payne bill did. And we have restored the symmetry of that section of the bill which was destroyed when the American manufacturers mustered sufficient influence in the other branch of this Congress, and with the conferees, to hide ferromanganese in the pig-iron clause, in order to deceive the people into the belief that it was paying a higher duty than it really was.

Mr. HARDY and Mr. SAMUEL W. SMITH rose.

Mr. PALMER. I will yield to the gentleman from Michigan [Mr. SAMUEL W. SMITH].

Mr. SAMUEL W. SMITH. Mr. Chairman, I am asking this question purely for information. Why was rice left on the dutiable list?

Mr. PALMER. The gentleman from Michigan will excuse me.

Mr. SAMUEL W. SMITH. The gentleman is a member of the committee.

Mr. PALMER. I said a while ago, and the gentleman wants to be fair, that I did not intend to discuss the whole bill, but that I intended to pay some attention to the metal schedule.

Mr. HARDY. Will the gentleman yield?

Mr. PALMER. I will yield to the gentleman from Texas.

Mr. HARDY. Is not the Bethlehem Steel Co. a rather large exporter of steel and iron?

Mr. PALMER. Very.

Mr. HARDY. The drawback clause will enable them to get back a large part of such duty as they pay on imported articles, while the smaller manufacturer would pay that duty and never get anything back.

Mr. PALMER. That is quite true.

Mr. MURDOCK. If I understand the gentleman, steel rails are on the free list?

Mr. PALMER. Yes.

Mr. MURDOCK. Does the gentleman expect any change in price by reason of that, or what will be the result?

Mr. PALMER. I frankly doubt whether there will be any change in the price of steel rails by their being put on the free list, because, as we all know, there is one of those world-wide trusts in the matter of steel rails. In effect, the manufacturers of steel rails the world over have agreed upon a division of territory and the fixing of prices with respect to the entire world, except South America, which is a free and open market to the manufacturers of steel rails both in this country and abroad, and where they are able to get steel rails at a considerable less price than we do in this country or Europe.

We put rails on the free list with the thought that if that agreement should fall down, if there should be a break in it by reason of the disaffection of the foreign or the American producer, the American people might then get some benefit from free rails in this country.

Now, they tell us that these high tariff rates have been made in the interest of American labor. They tell us, especially with respect to the steel and iron schedule, that the rates were made as they were in order to keep American labor employed. I think we have shown that if the production continues the same labor will continue to be employed, and what we will do by the passage of this law, amongst other things, will be to compel the American manufacturer to sell to the American people his product at as low a figure as he sells it to the Fiji Islander and the Patagonian. [Loud applause.]

Mr. UNDERWOOD. Mr. Chairman, I would like to inquire how the division of time rests between this side of the House and the other.

The CHAIRMAN. The gentleman from Alabama has used 6 hours and 2 minutes and the gentleman from New York has used 6 hours and 44 minutes.

Mr. UNDERWOOD. Does the gentleman from New York desire to proceed?

Mr. PAYNE. I will yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. Mr. Chairman, the high example set by our Democratic President in drawing attention to his tariff message by an address from "the throne" is of greater value to the people of the United States than would appear at first blush. In smashing the dull routine of a century and returning to the more or less monarchical but presumably anti-Jeffersonian methods of a Washington and an Adams, the President, who proclaims "a new freedom" from a condition of industrial and national thralldom, the horrors of which are more or less chimerical, has made the millions of victims of this sort of political philosophy "stop, look, and listen." In an age which is somewhat iconoclastic, when froth passes for substance and audacity for truth; when satiated mortals with easy money weary of the workshops and markets and yearn for novelty and sensation, he has compelled "a sitting up" and a "taking notice" which augurs that the tariff question, despised and derided during the recent presidential campaign, will again be considered as of vital importance to public welfare.

FACE THE ISSUE SQUARELY.

Standing upon the Democratic platform and inveighing against the protected industries of the country as "hothouse" growths to be immediately destroyed, the President has awakened employers whose indifference to political intrigues is appalling, as he has stirred the wage earners generally to a realization of their danger.

But, thanks to President Wilson's novel expedient, all the people are beginning to inquire about the tariff. They have learned that the Democratic Party does not propose only to find jobs for its followers but that it intends to squarely face the issue which it has raised with the Republican Party. It is going to attempt to prove that the Republican policy of pro-

tection to American industry, the policy which has raised the American wage standard above all others in the world, is wrong and must be overthrown.

It is not exactly what a majority of the people expected would happen. Those who knew even a little about the question were not prepared to hear so positive and emphatic a stand against protection as the leaders of the party now in power have taken. Hence it was a real service the President performed when he ascended the rostrum in the House to make his daring deliverance.

A TARIFF PRIMER.

It is because I believe there is urgent need for publicity and careful study of the tariff question that I have written my address in the form of "a tariff primer," which I send to the desk of the Clerk, whose assistance I shall ask in propounding the questions therein noted:

Question (by the Clerk). When was the first tariff act passed?

Answer (by Mr. Moore). The first act passed was a tariff act. It was approved by President George Washington July 4, 1789, and was regarded as an American declaration of commercial independence.

Question. What was its purpose?

Answer. To support the Government, discharge the debts of the United States, and to encourage and protect manufactures by levying duties on goods, wares, and merchandise imported. These purposes were specifically set forth in the first section of the act, and they were intended to relieve the Colonial States of the necessity of purchasing supplies abroad, to keep our money in the United States, and to discourage paternalism.

THE FIRST ACT FOR PROTECTION.

Question. Did this first act of Congress stimulate and encourage American manufactures?

Answer. It not only stimulated and encouraged them, but it gave confidence and hope to the youth of America and made us a manufacturing as well as an agricultural Nation.

Question. To what extent has the tariff system thus begun been continued?

Answer. There have been various changes in the tariff system according to the views of political parties which have happened to be in control of affairs. What is now known as the Republican Party has usually favored the levying of tariff duties sufficiently high to cover the difference in the cost of production at home and abroad. The Republican platform of 1912 reaffirmed this position, declaring that "the Republican tariff policy has been of the greatest benefit to the country, developing our resources, diversifying our industries, and protecting our workmen against competition with cheaper labor abroad, thus establishing for our wage earners the American standard of living." The Republican platform further declared that "the protective tariff is so woven into the fabric of our industrial and agricultural life that to substitute for it a tariff for revenue only would destroy many industries and throw millions of our people out of employment. The products of the farm and of the mine should receive the same measure of protection as other products of American labor."

DEMOCRATS AND HARD TIMES.

Question. What is the Democratic attitude toward the tariff?

Answer. Although Thomas Jefferson and other early Democrats believed in the encouragement of American industries and the imposition of tariff duties for that purpose, the Democratic Party has taken issue with the Republican Party in certain of its platforms and has contended that what Republicans call protection was unwarranted by the Constitution of the United States and that tariffs should be levied only for the purpose of raising revenue. This was the position taken by the State of South Carolina in 1832, when it nullified the tariff acts of 1828 and 1832. The Confederate Constitution of 1861 also denied the right of the Government to levy "any duties or taxes," "to promote or foster any branch of industry," holding that such duties should be levied only for revenue to carry on the Government. During the administration of Grover Cleveland, the so-called Wilson-Gorman bill was passed under Democratic auspices, and while it undertook to levy duties for revenue only, it did fix certain protective rates, but none of them sufficient to bring in enough revenue to run the Government. The result was that many American industries, forced to compete with cheap foreign labor, were obliged to discontinue business, hundreds of concerns became bankrupt and hundreds of thousands of people were thrown out of employment. The full effects of this disastrous Democratic bill were felt from 1893 to 1897. Not only did the Government have to issue bonds to meet its obligations incurred during this period, but it was further

humiliated by having to permit thousands of its factory workers to go to free soup houses for sustenance.

FARMERS AND MILL MEN HURT.

Question. Who do you think were most affected by the change?

Answer. In the last analysis, the workingman and the farmer. When the employers found they could not compete successfully with the foreign manufacturers they closed their mills. For a time the workmen were able to live upon the savings they had accumulated under the McKinley protective-tariff law which preceded the Wilson-Gorman Act, but after their savings were gone, they were without the means to purchase food. Thus the farmer lost his best customer. Prices came down and commodities were cheap, but the earning power of the consumer was destroyed. It made little difference to him if he could buy a suit of clothes or a horse and wagon for \$5 if he did not have the \$5, and thousands of them did not have the \$5. The distress in the cities was greater than it was on the farm, because the farmers could get along with what the farms produced, but they could not sell their produce at a profit. On the other hand, the city workman's cellar was empty, and if he had no wages he was in a bad way. One of the lessons of that unhappy period was the determining of the very close relationship between the producer and the consumer. It proved that their interests were identical and that in times of adversity there was little or no difference between them.

END OF CHEAP GOODS.

Question. What efforts were made to correct the distressing consequences of this Democratic policy?

Answer. The people who had suffered as a result of Democratic blundering restored the Republican Party to power and in 1897 a new tariff bill, framed for purposes of protection and commonly known as the Dingley bill, was enacted. This new law raised a tariff barrier against the tremendous volume of foreign imports that had "made goods cheap" under the Wilson law, compelled the return to the United States of capital that had gone to Europe, Canada, and other countries, and being in the nature of a guaranty to business men that they could resume their enterprises, and to farmers that they would again have an American market for their products, the tide of prosperity returned to the United States and instead of bankruptcy there was great rejoicing in American homes.

RESTORATION UNDER DINGLEY BILL.

Question. Can you give some data pertaining to this progress under the Dingley bill?

Answer. Yes; the "Tariff Handbook," just issued by the Democratic Ways and Means Committee (April, 1913), although not thoroughly reliable, quotes the number of establishments engaged in manufactures as being 214,954 in 1904, at the beginning of the Wilson law, and 266,805 in 1909, under the Dingley law. During this five years capital invested increased from \$12,515,788,542 to \$18,151,053,523; the number of wage earners, independent of salaried and other workers, advanced from 5,220,461 to 6,310,454; wages jumped from \$2,461,279,407 to \$3,231,207,579; the cost of material used increased from \$8,343,639,649 to \$11,928,209,567, while the value of the manufactured products advanced from \$14,470,690,353 to \$20,234,488,582. The dutiable list under the Dingley law in 1909 affected 6,052,312 wage earners in a total of 242,029 establishments representing a capital of \$17,148,987,686. The Dingley law was successful as a promoter of industry within the United States and as a revenue raiser. It aimed to levy duties on imports that were in the nature of luxuries and contributed more than one-third of the total revenue of the Government. Under it wages steadily advanced throughout the United States, while there was also a steady increase in the cost of the products of agriculture. It is true that while the mill worker obtained higher pay it cost him more for the supplies he purchased from the farm, but it is also true that during the period of the Dingley law the hours of labor were generally reduced, the comforts of living were everywhere increased, and the people, without regard to section or employment, enjoyed conveniences, comforts, pleasures, and even the luxuries of life, to a greater degree than ever before in the Nation's history. Nevertheless, because of certain alleged inequalities in a few of the provisions of the Dingley law, and because its free list was not extended, there was an incessant agitation against it.

SAPPERS AND MINERS AT WORK.

Question. How long was the Dingley law in force?

Answer. It was effective from the date of its approval July 24, 1897, until the Payne bill went into effect August 5, 1909.

Question. What was the reason for this change?

Answer. One reason was that the Democrats who were out of power were continually misrepresenting the tariff question, contending that it created trusts and large enterprises and that under it Americans acquired wealth too rapidly. Republicans generally were too busy with their business affairs to answer these accusations and finally the people began to accept them as true. Another reason was that the growth of population in the United States due to the inspiration of our success and prosperity, having given us the greatest home market in the world, had invited the attention and concern of other great nations which coveted our purchasing power and sought to break the firm hold our protective laws gave us upon our own trade. With establishments that cost less and with labor that was skilled but poorly paid, they knew they could compete for the American dollar in the American market, if their cheap goods could be gotten over our tariff wall. Another reason for the change was that our own people had forgotten our former distresses; in fact, we were restive under too much prosperity. In response to what the Republican Party leaders believed to be a popular demand, although there are many reasons for believing that the demand was skillfully worked up by the foreign enemies of the protective system, the Payne bill was enacted into law. It having been contended that some of the rates in the Dingley law were too high and that the tariff should be revised downward, the Payne law undertook to make reductions in duties, but this did not satisfy the enemies of the protective system within the Republican Party or without.

REPUBLICANS YIELDED TO CHANGES.

Question. Did the Republicans change the Dingley law?

Answer. In the platform of 1908 the Republican Party declared in favor of a revision of the tariff at a special session of Congress. It did not say that revision should be a downward revision, but it did declare against "excessive duties," although maintaining that "the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." Moreover, inasmuch as certain trade agreements with Germany and other countries had been made by President Roosevelt, which seemed to give undue advantage to foreign goods over those of American production, the platform declared for a maximum and minimum tariff by which the President might thereafter be guided when the opportunity to make favorable treaties should arise. In consequence of this party pledge a special session of Congress was called, which resulted in the passage and approval by President Taft of the so-called Payne bill of August 5, 1909, the existing tariff law.

PAYNE LAW GROWTH PHENOMENAL.

Question. Did the Payne bill revise the tariff downward?

Answer. It did revise the tariff downward, and while attempting to maintain the protective principle it equalized certain duties that had been objectionable, and altogether proved a most effective revenue measure. Under the Payne law the industries of the country continued to thrive and wages continued to increase, while the hours of labor and working conditions generally improved. The value of manufactures in 1912 far exceeded \$20,000,000,000, the farms produced nearly \$9,000,000,000, our imports exceeded \$1,000,000,000, and our exports exceeded \$2,000,000,000. In view of attacks upon both the Dingley and the Payne laws, it is noteworthy that our population increased from 90,000,000 in 1909, when the Payne bill went into effect, to 95,000,000 in 1912, the latest estimate of the Census Bureau. The wealth of the people of continental United States advanced in those three years from \$150,000,000,000 to \$175,000,000,000, making an increase in per capita wealth from \$1,656.42 in 1909 to \$1,834.17 in 1912, the highest aggregate ever attained by the American people.

PEEVED AT PARTY PROGRESS.

Question. If the people enjoyed such wonderful progress, why did they complain?

Answer. They listened to ambitious politicians, agitators without conscience, journalistic party builders, magazines seeking pap, essayists who found it more profitable to write fiction than to work, theoretical college professors, nonproducers generally, and a few sincere reformers, usually misinformed and frequently misled. They contended that the Payne bill was devised in the interest of Schedule K and one or two other horrifying exhibits, which very few of them understood and which fewer undertook to investigate. Color was given to their agitation because in a speech at Winona President Taft made reference to Schedule K as "indefensible," and also because in a reciprocity treaty with Canada the President, without consulting Congress, undertook to make a reciprocal arrangement which most Republicans believed would be disadvantageous to

the United States. The President appeared to have been in accord with Mr. Roosevelt and the newspapers upon this question, but the farmers of the country took umbrage at the reciprocity arrangement and joined in the assault upon Schedule K, which had protected the American woolgrowers and manufacturers of wool, largely because they believed reciprocity with Canada as proposed would have the effect of reducing the farmer's prices for the products he had to sell. Thus Schedule K became a scapegoat of the tariff and an excuse for opposing the Republican ticket. But when the Democrats obtained control of the House of Representatives in the Sixty-second Congress and attempted to revise Schedule K in response to the hue and cry that had been raised against it, President Taft was twice compelled to veto their bills. He declared that "more than a million of our countrymen are engaged in the production of wool and the manufactures of woollens; more than a billion of the country's capital is invested in the industry"; and then, adding that "five millions of the American people will be injuriously affected by any ill-advised impairment of the wool and woollen industries," he declared it essential to "proceed prudently in dealing with them upon the basis of ascertained facts rather than hastily and without knowledge to make a reduction of the tariff to satisfy a popular desire."

HAMMERING THE MANUFACTURERS.

Question. Can you explain the prejudice against the wool and cotton schedules?

Answer. It was due very largely to the fact that the disrupters of the Republican Party were intent upon having a "goat." They needed somebody to club, and they picked upon the so-called "robber baron" manufacturers. Since the manufacturer is really the "maker" of raw materials, he is absolutely essential to the welfare of the producer, but no one cared to tolerate him as an economic necessity. The manufacture of cotton goods, particularly of hosiery, languished under low rates imposed by the Dingley law, but began to flourish, giving steady employment to thousands of mill hands, under higher rates accorded by the Payne law. As to this change of rates there was bitter contention, and while hosiery prices were not advanced to the consumer, the mill-worker consumers were better able to buy farmers' products than theretofore.

The wool schedule (Schedule K), however, was the chief bone of contention. The manufacturers were denounced as "malefactors," notwithstanding they were giving employment to tens of thousands of people, many of whom were females, whose mill wages were higher than they could obtain in department stores or in domestic service. The compensatory rates of Schedule K were jeered at and denounced, and this notwithstanding that these rates were designed, first, to protect the American wool-grower against the cheaper wool of Australia and other countries; second, to protect the American woolsorter against the cheaper woolsorter wages of England, and then to protect the American scourer of wool against the scouring wages of England, and so on along the line of the processes of manufacture in the carding, combing, weaving, dyeing, and finishing stages. In each particular occupation overhead charges abroad were one-half what they cost the American manufacturer and the wages were from 50 to 75 per cent less than in the United States. It made no difference, apparently, that every one of these separate branches of industry, from the herdsman who attended the sheep to the jobber who disposed of the cloth to the merchant tailor and the consumer, were imperiled by foreign competition; the manufacturers of the cloth were held up to ridicule and opprobrium.

INJUSTICE TO MAKERS OF CLOTH.

Question. Were the assaults upon the manufacturers justifiable?

Answer. Here and there, no doubt, manufacturers or jobbers made money out of the wool business. It is to be presumed that they had a right to expect to make a profit, otherwise they would not take the risk of venturing upon such an enterprise. But many of them did not make money, and dozens of them were ready to certify that they would take contracts if a steady market for their goods could be guaranteed, to deliver cloth to the consumer for a net profit over their other expenses of 5 cents per yard, or 17½ cents for the 3½ yards of cloth necessary for a suit of clothes. But the manufacturer was not believed. It was still contended by those who sought to use him as the "goat" that he was the man who pocketed the difference between the price the farmer got for his wool to the \$20 or \$25 paid to the department store for a suit of clothes. In "The New Freedom," Woodrow Wilson, now President, even went so far as to state emphatically that the manufacturer also pocketed the tariff. The truth is that every dollar of tariff is collected by the Government and saves the people, who are both

the producers and the consumers of the land, the expense of internal taxation, which Mr. Wilson and his party now propose to impose upon them; and to say that the manufacturer of cloth is the recipient of the tariff, except to be protected against the lower cost of production abroad, is as absurd as it is to insist that the wool grower of the United States does not actually receive the 11 cents per pound which the Government levies upon foreign wool in the grease. That the farmer should receive it directly in person, and thus deprive the Government of its revenue, would be as preposterous as it would have been to give every citizen 16 silver dollars for 1 gold dollar, as many people really believed would happen if the distinguished gentleman from Nebraska, now the Secretary of State, had succeeded in breaking up the Republican Party with his "16 to 1" propaganda.

HIGH COST OF LIVING MISREPRESENTED.

Question. How do you account for the difference between the manufacturer's profit, say 5 cents per yard on cloth, and the price of a suit of clothes?

Answer. About the same way that we would account for the difference in the price of eggs from the time the good farmer's wife in Kansas sells them to the buyer at 12 cents a dozen, to the time they are delivered to the housewife in the big cities at from 40 to 50 cents per dozen. It costs something to maintain an establishment which sends out buyers to meet the farmer's wife. That adds labor and expenses to the cost of 12 cents per dozen; and then it costs something for crates and packing and hauling to the railroad station; that must be added. Then it costs something to build railroads which provide the transportation to the storage warehouses; that should be added to the 12 cents per dozen. And then it costs something to build storage warehouses and set up chemical appliances necessary for the maintenance of the proper degrees of temperature; add that to the 12 cents per dozen. And then it costs something to keep those warehouses going from April or May when the hens are laying, until the snow is on the ground and the price of eggs has advanced—that costs something. Then the jobber or the middleman must be accounted for in disposing of the eggs by the millions, to millions of consumers whose prosperity is essential to their ability to purchase the eggs. And the retail grocer must be accounted for, having his rent to pay, his bookkeeper and clerk hire, his newspaper advertising, his delivery service; all this has to be accounted for. And then the telephone service installed for the lady who buys eggs from the retail grocer and wishes them delivered in packages wrapped with golden string, in wagons handsomely painted and decorated, by delivery boys in brilliant uniform. These all cost money and it must be added to the original 12 cents a dozen cost of eggs. And if, perchance, these eggs should be brought out of storage at Christmas time and be served in one of the great hotels of an eastern city, or even in St. Louis or Chicago where the freight rates would be cheaper, an allowance must be made for the excellent style and taste in which the eggs are served, for the flowers that decorate the table and the halls, and for the music that percolates through the palms in "Peacock Alley." These and other trimmings are now required by at least a portion of our modern society, and they all cost money. The farmer does not get the cost of the extras in the original price of his eggs, because the other laborers who appear upon the scene demand compensation for their services.

TARIFF HAS NOTHING TO DO WITH IT.

Question. What has the tariff to do with that?

Answer. With due respect to those who connive at the defeat of the Republican Party, and who blame the tariff for the high cost of living, it has nothing to do with it under the sun. When the maker of the American cloth, whose employees and associates, from the grower of the wool to the weaver, delivers his $3\frac{1}{2}$ yards to the consumer, the tariff protecting all the industries along the line, has been paid. And if $3\frac{1}{2}$ yards were sold at a fairly high price of \$3 per yard, or \$10.50 for the suit, the "crime of the tariff" was wholly within the \$10.50. If the finished suit was sold for \$25, the tariff had nothing to do with the difference between \$10.50 and \$25, except as there may have been some duties upon the trimmings entering into the fashioning of the suit. Therefore, "the high cost of living" that entered into that suit of clothes after the cloth was laid down at \$10.50, and which could have been avoided by the consumer making up the suit with his own thread and needle, is chargeable wholly to the agencies he employed, including cutters and seamstresses, to do the work for him. It is labor that gets the difference in the cost between the cloth and the price of the suit, except as the wholesaler, the merchant tailor, or the department store may require or exact a profit. By the same token it was the dozens of agencies

and the many kinds of labor employed between the cost of eggs at 12 cents per dozen in Kansas and 50 cents a dozen in New York that derived the benefit of the intervening 38 cents. It was not the tariff at all. The tariff upon eggs was sufficient to induce the eastern buyer to abstain from buying foreign eggs and to induce him to buy Kansas eggs, and the wool-tariff schedule has the same relation to the purchase of foreign or domestic materials. It is obvious that if the Kansas farmer, dissatisfied with the 12 cents a dozen he received for the eggs, desired to take the risk of holding them and preserving them until December and then delivering them in person to the consumer in New York, he could have obtained the ruling retail price, but if he did not want to take the chance of holding the eggs and carrying them in person to the consumer and of sorting the good eggs from "the rots and spots," then it is fair to make an allowance to those who assume the risk, by investing capital and employing labor to distribute his supplies at any season of the year—in times of scarcity as well as in times of plenty. The cost-of-living problem requires a treatment of reason.

THE BUNCOMBE SERVED TO THE PUBLIC.

Question. Were the people informed upon these conditions?

Answer. It is doubtful whether the people stopped to consider them. As a rule they were "too busy" to do more than read the "scare headlines" in the newspapers, and the newspapers finding the people liked sensation, gave them plenty of it. The campaign of 1912 was prolific of denunciation of the rich. Anything in the nature of faultfinding with men who had succeeded in their business was "good stuff" for the Democrats and those who were seeking power by the overthrow of the Republican Party. Even the Decalogue was brought forth as a good thing and a new(?) thing by which people should be guided in the future. The Democratic orator made merry with the mills. He taught the workman to be unhappy and pictured frightful conditions of employment which did not exist. He talked of "watered stock," and of the wealth of J. Pierpont Morgan, and all this he blamed on the Republican tariff. He continued this incessantly in the endeavor to array class against class, although he knew full well that the matters of which he complained were subject to local regulation by law and not by the revocation of customs duties that would destroy the industries. Some years ago it was generally charged that Henry H. Rogers, a man of great wealth, was another such "incubus" as the late Mr. Morgan, but upon the death of each of these gentlemen it was observed that neither the financial nor the industrial worlds stood still; and it was further observed that neither of them carried away the vast accumulations they were supposed to control. To those who stopped to think it was apparent that the money of a Rogers or the money of a Morgan was, after all, the money that is working day by day in the construction and operation of the railroads and the other great enterprises which have brought the East and the West and the North and the South together in bonds of common interest. But while this sort of buncombe seemed to weigh with the unthinking, it is a curious fact that the workmen were piling up their savings in the banks and savings funds of the country, and that these very moneys were being invested in railroad and other corporate enterprises, through which the workingman depositor was actually obtaining interest on "his investment." The viciousness of these political assaults upon industry is illustrated by the fact that in 1910 there were approximately 273,000 wage-earning depositors in one Philadelphia saving fund, who had \$111,000,000 invested in the upbuilding of railroads and other great enterprises throughout the country. Doubtless many of these depositors were not aware that in listening to the enemies of a Republican tariff they were actually encouraging the depreciation and destruction of their own property.

MOLDERS OF PUBLIC OPINION.

Question. Did the newspapers have anything to do with this agitation?

Answer. They certainly did. They had a large interest in the tariff law. What the President had attempted to do in the matter of Canadian reciprocity included free trade and lower duties with respect to printing paper and wood pulp and other articles of Canadian production, and the success of the treaty would have been of great advantage to these powerful molders of public opinion. But Congress did not approve the treaty which the President had made and many of the newspapers were hostile in consequence. The attacks upon the Payne law were renewed, a division arose in the Republican Party, and repeated arguments in favor of the maintenance of the protective system, notwithstanding the few objectionable items in the thousands of items of the bill, did not avail. One of the chief reasons for Republican defeat, apart from continued political agitation, was the opposition or indifference of the newer

generation of voters, who, having no recollection of the Wilson-Gorman period and being themselves prosperous, assumed that a change from Republican policy would do no harm. "What is protection to you?" asked the college professor of the student, whose remittances from home were regular and ample in 1912. "And what is protection to you?" asked the political agitator of 1912 of the bricklayer earning his \$6 a day. And generally the answer came swift and smart, "Don't worry; forget it." And so they voted. The effect of their vote was to declare against the Payne law, notwithstanding it brought about our greatest prosperity. You see the "Don't Worry Club" lives up to its motto with respect to the tariff when Uncle Sam is working.

A STUDY IN FREE LISTS.

Question. Did the Payne law increase the free list?

Answer. It increased the free list even to a greater extent than ever before, but still maintained sufficient revenue to meet the needs of the Government. Imports admitted free under the Payne law in 1912 were valued at \$881,512,987, or \$105,000,000 more than in 1911. The free imports were greater under the Payne law than under any Democratic law. More goods were admitted free than came in subject to duty. The percentage of free goods imported was 53.73 in 1912, or 3 per cent more than in 1911, a percentage higher than that of the Wilson-Gorman law, which attained 48.56, but notwithstanding this exceedingly high percentage of free imports which cut the revenue from \$326,561,683.14 in 1910 to \$304,899,366.08 in 1912, the duty collected per capita in 1912 was \$3.15 against \$3.25 in 1911, \$3.50 in 1910, \$3.21 in 1909, \$3.13 in 1908, and \$3.72 in 1907. And while under the Payne law the duty per capita was steadily falling, proving that the so-called "tariff burden upon the people" was being reduced, the imports per capita were steadily rising, having reached the high mark in 1912, to wit, \$16.94, or twice the volume of per capita imports of 15 years before. But while the much-heralded tariff was thus being reduced the internal revenue, which is derived directly from the people, was advancing from \$246,212,644 in 1909 to \$321,612,200 in 1912, or more than was collected from the tariff, without any special complaint from anybody except the producers of liquors and tobacco and the dealers therein. In fact, the imperceptible burden of the tariff, estimated at \$3.15 per capita, the maintenance of which has a direct relation to the employment of millions of farm and factory workers, was anathema, while the greater and more direct burden of the internal revenue aroused no wonderment and scarcely any comment. Thus it appears that the people had come to believe that it would be better for them to increase their own internal taxes rather than to share their burden with the foreign business man who desired to worm his way into the American market or the importer who preferred to spend American money in foreign countries.

DISPLACEMENT OF AMERICAN BILLIONS.

Question. Is the extension of the free list good for the country?

Answer. The protectionist does not think so, and yet to gratify what seemed to be a popular demand the Payne law brought in in 1912 the largest volume of free goods ever imported. The value of these free foreign goods in that year was \$881,512,987. In plain English, we sent that much money abroad to buy foreign goods in one year, when we might just as well have spent it in our own country. The year previous, 1911, we sent abroad \$777,000,000; in 1910, \$761,000,000; in 1909, \$800,000,000. The total amount for foreign purchases sent out of the country under the much-maligned Payne law, in less than four years of its operation was approximately \$3,000,000,000. The money that thus left the country to buy foreign goods under the free list would have been sufficient to build 10 Panama Canals. But we preferred to send that money abroad, and we did so. Among the articles admitted free of duty were hides and skins valued for 1912 at \$102,000,000. They were put on the free list because the people were led to believe the trusts, supposed to control American hides, would destroy the tanners and shoemakers. When the duty was removed from hides the price of hides went up and the price of shoes did not come down, and it also developed that the so-called trusts were as influential in the control of foreign hides as they were of the domestic. The Government lost the duty which had in 1908 amounted to \$1,959,434.73. Another item on the free list was coffee, imported in 1912 to the value of \$117,000,000; it was made free because the agitators or the manipulators did not want to pay a duty. The consumer got no benefit from the repeal of the duty because the export country levied an export tax on coffee and accepted for itself what the United States had given away. The importer was relieved of the duty, but the consumer paid for coffee at the same old rate. It was not a reduction of living cost, but a deliberate

subterfuge operating to deceive the people while pretending to work in their behalf, and yet the people believed the agitators for free hides and the agitators for free coffee, just as they were led to believe the agitators against the Payne law.

WE GET "ART"; THEY GET MONEY.

Question. Have you any other illustrations showing how the people are fooled?

Answer. Yes; "art works" is suspicious. When the Payne committee yielding to "unselfish" clamor put "art works" upon the free list in 1909 the idea was to encourage art and to win over a few of the "old masters" for American art galleries. In 1909 "art works" came in free to the value of \$549,661. In 1910 they jumped in value to \$19,114,407.19. In 1911 the value of these "art works" coming in free had reached \$21,045,921, and in 1912 they climbed to the enormous value of \$35,116,930.75. This was a direct displacement of \$75,000,000 of good American money in four years, not for food or necessities, but for "art works," upon which to feast the eyes and inspire the applause of the connoisseur. The people, or somebody claiming to represent them, demanded "free art," and they got it by "blowing in" \$75,000,000 of American money for the enrichment of foreign artists and picture dealers. The much heralded purchase of a single painting from one of the English collections, at a cost of \$500,000, is a reminder that if that money had remained in the United States where it was earned, it would have been sufficient to pay \$1,000 a year to 500 men, who could thus have supported a population of 2,500 in any city or village of the United States for a whole year. If these items, wisely or unwisely yielded in the Payne law, reacted upon the American people, imposing upon them a charge rather than a relief, they are to be continued in the Underwood bill in greater volume and for the avowed purpose of encouraging foreign competition.

THE UNDERWOOD BILL AND ITS MEANING.

Question. What do you mean by the Underwood bill?

Answer. The bill introduced by the gentleman from Alabama [Mr. UNDERWOOD], who is chairman of the Democratic Ways and Means Committee, and the exponent in the House of Representatives of the theories of Woodrow Wilson, the newly elected President of the United States.

Question. Were the Democrats commissioned by the people to write a tariff bill embodying the ideas of President Wilson?

Answer. The Democrats think they were, although apparently a majority of the voters of the United States are not in sympathy with Mr. UNDERWOOD or Mr. Wilson. The protectionists of the country divided their votes between Mr. Taft and Mr. Roosevelt, so that Mr. Wilson was elected although he is the leader of a minority party.

Question. What is the objection to the tariff plans of Mr. UNDERWOOD and President Wilson?

Answer. They are believed to be destructive of the industries that have been created in the United States under a protective tariff system. They are not actually for free trade with foreign nations, but they are so close to it in an effort to force competition upon the foreigners' terms as to discourage American enterprises and drive existing industries out of business. We have always boasted in this country that it was a land of opportunity, and we have flattered ourselves that the energetic young American was entitled to the fruits of his toil. If he should undertake to start a mill under the proposed new system, those who work for him could not expect to earn more than is now obtained for similar work in foreign countries, because the right of protection against the lower wages paid abroad would be denied. In other words, the opportunity to start the mill in this country would not be worth while, and the wage earner as well as the mill owner would both be out of employment.

THE PRESIDENT'S HOTHOUSE BANANAS.

Question. Wherein does President Wilson approve of any such doctrine?

Answer. In numerous speeches and particularly in a book entitled "The New Freedom," published this year, 1913, in which, to illustrate his belief with regard to the tariff, he refers to the very improbable "privilege" of raising bananas in Connecticut or Michigan.

"If we should undertake to raise bananas under such circumstances," says the President with a slight show of sarcasm, "we shall have in Connecticut or Michigan or somewhere else miles of hothouses in which thousands of happy American workmen, with full dinner pails, will be raising bananas, to be sold at a quarter apiece." But growing more serious the President adds, "What I am trying to point out to you now is that this 'protective' tariff, so called, has become a means of fostering the growth of particular groups of industry at the expense of the economic vitality of the rest of the country."

all of which he likens to a garden that must be thoroughly weeded out. In this same chapter, without regard to the difference in wage and living conditions and of the cost of production at home and abroad, the President asks where and when it happened that the "boasted genius of America became afraid to go out into the open and compete with the world?"

The question has the true ring of the jingo, but the answer is that a \$3 wage in the United States can not compete with a \$1 wage in Germany without the loss of \$2, nor can an educated civilized American make much headway if he has to compete in living conditions with coolie labor. "It is a condition that confronts us, not a theory."

FORBIDDEN TO IMPROVE ON NATURE.

Question. Has the President given these views to Congress?

Answer. The President briefly reinforced these views in a personal address to Congress. In calling the extraordinary session to consider the Underwood tariff bill, the President insisted that industrial conditions had so changed in the United States and some of them had developed so rapidly that it was our duty now to rid ourselves of all kinds of "artificial advantage" and to "thrive by the law of nature." "Our task," said the President, speaking of tariff schedules, "is to square them with the actual facts. The sooner that is done the sooner we shall escape from suffering from the facts and the sooner our men of business will be free to thrive by the law of nature—the nature of free business—instead of by the law of legislation and artificial arrangement."

"We must abolish," said President Wilson, "everything that bears even the semblance of privilege, or of any kind of artificial advantage, and put our business men and producers under the stimulation of constant necessity to be efficient, economical, and enterprising, masters of competitive supremacy, better workers and merchants than any in the world. Aside from the duties laid upon articles which we do not and probably can not produce, therefore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contact with the wits of the rest of the world."

A BOLD NEW PHILOSOPHY.

Question. Is the President preaching a new philosophy?

Answer. Evidently the President has thought out a new philosophy which he proposes to try out on the people. It is in the nature of a program more universal than the "busting of trusts" by President Roosevelt or the altruistic hopes and expectations of President Taft. It is even broader than Mr. Bryan's free-silver issue or his government control of railroads. Mr. Wilson proposes to make progress by halting progress; by destroying much of the great work that has been done under Republican rule and attempting a reconstruction upon the ruins. We are no longer to labor for the success of our own enterprises, but we are to stop where we are and penalize ourselves by stagnation and losses until the other nations have an opportunity to catch up with us. The President has made a bold stroke to harmonize the races, to remove impediments in the course of human progress which, in some respects, have been insurmountable since the beginning. He has started out to obtain an equilibrium of all the people of all the earth by checking the high tide of American progress until the sluggish waters in European and Asiatic channels have reached our level or we have been reduced to theirs. We might just as readily expect to see an equilibrium maintained between the waters of Lake Erie and the rapids of Niagara by a philosophical removal of the falls, as the attainment of the President's equilibrium of the industrial and living conditions of all nations. Since no such change in our economic life as is proposed in the President's philosophy is likely to occur in our own generation, when the cold necessities of earning our bread and butter by the "sweat of the brow" still stares us in the face, it would seem an idle waste and a needless sacrifice to thus expose our homes and firesides to a prospect so intellectually well conceived but so practically impossible. As it is evident "the billing and the cooing" of the doves must ultimately yield to the building of the nest, so it becomes the human race to provide for its future happiness and comfort; and the United States method of doing it has been successful under Republican administrations. We can not live upon philosophy and, as Owen Meredith sagely observes, "civilized man can not live without cooks."

FIRST THE COMPETITOR, THEN THE HOME.

Question. To what extent would President Wilson's destruction of "artificial advantage" affect the trade and commerce of the United States?

Answer. So far as manufactures affected in one way or another by tariff duties are concerned, it would apply to nearly all

of the industries, which in turn are supported by nearly all of the raw products of the United States. It would apply in one way or another to 270,000 establishments that are "artificial," in which upward of 7,700,000 people are employed and in which more than \$18,000,000,000 are invested. (Abstract Thirteenth Census.) It would undoubtedly close up many of the mills and factories where direct competition with foreign enterprises would give the foreigner the advantage in the cost of labor and material. Emerson said, "If a man can write a better book, preach a better sermon, or make a better mousetrap than his neighbor, though he may build his house in the woods, the world will make a beaten path to his door." But President Wilson says, in effect, if a man write a book, or if he raise potatoes, he shall not sell them except at the foreign price; if he rear a mill, he shall yield to his foreign competitor; and if he be dissatisfied with his wages under the "artificial arrangement" of protection, he shall remove to Europe or go unemployed. He says it is time to break up the industrial establishments if they can not operate on equal terms with those abroad; and this in spite of the Biblical injunction that "if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel." (1 Timothy, Chap. V, verse 8.)

PERTAINING TO PROTECTION BY COPYRIGHT.

Question. Does President Wilson apply this doctrine to the publication of books?

Answer. He does not. The preparation of books is brain labor, while the work of the mill man is hand labor. The President's publication, "The New Freedom," which insists that protection from foreign labor shall be removed from the mill worker and the farmer, is "copyrighted" against domestic competition, and "all rights are expressly reserved" against foreign competition. So that the President's rule does not work both ways. And yet Woodrow Wilson, the eminent scholar and author, is entitled to protection and royalties for the product of his brain and pen, a protection which should not be denied the man on the farm or the plodder in the mill.

Question. In what respect has the gentleman from Alabama endorsed the views of President Wilson?

Answer. In so shaping his tariff bill as to discourage American enterprise and industry and encourage foreign competition, to the end that cheaper goods shall be supplied to the people though their wages be lowered and their employment taken away. The Underwood bill threatens the destruction of the sugar industry in the United States, menaces the cotton and wool industries, except as it will have no influence upon raw cotton but to increase the sales of American raw cotton in foreign lands, and while admittedly destroying \$100,000,000 of revenue collected at the customhouse from importers of foreign commodities attempts to make up that deficiency by an income tax levied directly upon some of the people, and only some of the people, whose offense is that they have been industrious and thrifty.

INCOME TAX AN UNNECESSARY MAKESHIFT.

And while an income tax properly graduated may be a fair way of raising revenue, as proposed in the Underwood bill, it is special to a certain class of citizens; it will be an unending annoyance to honest business men and farmers who are struggling to make both ends meet; it will encourage deception and fraud in the making of returns, and will discourage investments in industrial or labor-employing enterprises. It will raise an army of inquisitors and tax collectors and prove a direct charge upon the responsible citizen who, because he is responsible and law-abiding, is generally compelled to bear the burden of the shirk. There is small warrant for such an experiment at this time, in view of the fact that at the close of 1912, with the Payne tariff law still in operation, the United States Treasury showed a surplus of \$37,224,502. The best the Democrats hope to do in substituting an income tax for the tariff is to obtain a surplus of \$1,335,000 at the close of the first fiscal year. And this upon the mere guess (see majority committee report) that the income tax will yield a per annum total of \$63,730,000. The margin is so close that the shadow of a deficiency is already apparent, for the bulk of the income tax must necessarily be collected from a few of the large and prosperous States that are to be robbed of both protection and prosperity. Verily, "the penny and the cake" shall "walk the plank" together.

Question. Has the gentleman from Alabama given outward expression of his belief in President Wilson's theories?

Answer. Mr. UNDERWOOD has frequently declared in debate that he is opposed to protection. During the secret caucus of the Democratic Party, considering the sugar schedule, Mr. UNDERWOOD was quoted as having resisted the appeals of some of his Democratic brethren who had the temerity to insist upon protection for the men who are employed in the sugar industry

in Louisiana and for other interests. As reported in the Philadelphia Record, Mr. UNDERWOOD spoke for the President and his party.

THE SUGAR INDUSTRY TO GO.

"The President only asked us for two things in that bill," he said. "He asked us for free wool, and the committee gladly gave it to him. He asked for a change in the sugar schedule, and the committee did as he asked. I appeal to you in the name of the President and the party to stand solidly behind the President and the committee on this question."

"If we as a party are to do the things we have promised to do, we must have party solidarity. The President's position on sugar is perfectly fair; there is no principle involved that is different from the principle of free sugar."

"The sugar growers of Louisiana have been brought up as a hothouse growth; that is true. They have invested many millions in their industry. Free sugar will destroy them; that is conceded; and it is only proper that their industry must give way. The President felt that it would be fairer to all concerned that these sugar growers be allowed three years in which to liquidate. They have much paper in the banks; they have suffered from two bad crops; and to put sugar on the free list to-day would damage them greatly. By giving them three years in which to liquidate we will give them time to get their houses in order."

"They can straighten out their affairs, fix up their financial matters, use their lands and mills for other purposes. Three years is a short time; and while I personally have little use for protection, we must not forget that this industry is the result of the protective theory, and we should give them time to right their affairs."

OLD MILLS MUST DIE.

Question. Has the gentleman from Alabama conceded the destruction of other industries?

Answer. Yes; he has been equally frank on other occasions. Concerning the duties upon wool and woolen clothing discussed in the secret Democratic caucus April 18, the Washington Herald had this to say:

"Opposing the amendment to put ready-made clothing on the free list, Leader UNDERWOOD conceded that the rates of the wool schedule would hurt many industries. He said he was inclined to believe that many mills would be put out of business. He insisted that there were factories in this country equipped with inefficient plants, and that they were badly administered, and he had no doubt they would go out of commission upon the approval by the President of the pending bill. Mr. UNDERWOOD declared that many woolen factories were maintained under the special privilege of protection. He said that, economically, they had no place in the industrial life of the land. They were 'hothouse' under protection conditions, and could not expect to survive under the competitive conditions that would result from the adoption of the new tariff."

LIVING COST REDUCED BY WAGE REDUCTIONS.

There is no mistaking the issue. As the matter now stands, the Democrats, who are in complete control of the Government, propose to destroy protection, as Republicans understand it, and to substitute "free competition" with all the world, except that duties shall be levied upon imports for purposes of revenue. Whereas last year, under the Payne law, we collected upon imports over \$304,000,000, they propose to collect only \$200,000,000, and recover the remainder by an inquisitorial and direct income tax upon the people. They contend that in this way they can reduce the price of eggs, potatoes, and meat, but they fail to take into account the losses that will fall upon the farmers who produce those commodities if the industrialist or the millworker, who is dependent upon "artificial arrangement," is shoved out of his job by foreign cheap labor. Mr. Wilson and Mr. UNDERWOOD have made it perfectly clear that they propose to stand on or fall upon the truth or falsity of their theories. They are undertaking to reach the unattainable by equalizing a 100 per cent civilization with a 33 per cent industrial condition. They are keeping faith with their party.

PLAYING UP TO THE FOREIGNER.

Question. Is the Underwood bill favorable to the foreigner?

Answer. Its sponsors frankly declare they want "competition." They do not mean by that that if we have mills manufacturing metal, or wool, or cotton goods, or chemicals that there shall be more mills in the United States, but they do say that whatever mills we have shall not be increased by encouraging our own trade until we have first stood the ruinous competition of England, Germany, and other countries, which have every advantage in the matter of wages and cost of production. They make no account of wages at all, and pretending they want cheapness to destroy the trusts and monopolies, they encourage

the migration of workmen and the transfer of capital to foreign countries, where, if the trust or combination be international in character, the place of manufacture is of little concern to the manipulators. One of the curious guesses in the report upon the Underwood bill is that by the transference of raw materials and other commodities from the Payne free list to the Underwood dutiable list there will be such an influx of imports anxious to pay duty that there will be realized at the customhouse \$102,403,000 to aid in making up the deficiency that will result from the reckless reduction of duties generally.

AND THE TRUSTS ARE NOT COMPLAINING.

Question. Explain that point about the trusts.

Answer. I will. If it is cheaper for the International Harvester Trust, or for any iron and steel trust, or for any textile trust, or for any sugar or tobacco trust to do its manufacturing in England, France, or Cuba, of what advantage to the people of this country would it be to remove the duty upon any of the articles thus produced? Such trusts would want the duty removed. If Mr. Carnegie has as much money invested in foreign steel mills, where labor is cheap, as he has in mills of the United States, where labor is high, or if the Harvester Trust is availing itself of cheap labor in the factories it operates in foreign lands, why would they want a duty imposed upon anything they make abroad if they can still control the market of the United States? Under these circumstances it is improbable the price of reapers and mowers would be lessened to the farmer whether the duty is on or off. Thus the individual or independent operator is set upon "the sliding board" and all industry drifts into the maw of the combination with the greatest power and the most money and they save the duties.

SAVING SOMETHING FOR THE SUGAR IMPORTER.

There has been so much special pleading for the "poor consumers" of sugar emanating from the importers' offices in New York as to lead to the suspicion that the wealthy gentlemen who pay the import duty, amounting to \$56,000,000 per annum, and who now have to meet a fair American competition which enables sugar to be sold at retail for 4½ cents a pound, are not wholly disinterested in the destruction of the industry in Louisiana and the West; but the Underwood bill proposes to take the duty from sugar even though the duty paid by these importers, which the Government stands to lose, if reduced to the pound consumed, precludes a lessening of the retail price. The Sugar Trust is not opposing the removal of the duty on sugar.

Question. How was the Underwood bill prepared?

Answer. By the Democratic majority of the Ways and Means Committee holding secret deliberations. It was drawn in defiance of those whose business and employment were involved and was then submitted to the Democratic caucus, which also met in secret. After the party caucus had deliberated upon it in secret it was returned to the majority members of the Ways and Means Committee, by whom it was made public three days ago—April 22. It is a document of 218 printed pages, a hurried comparison of which with the Payne law of 1909 shows it to be in title and text a direct contradiction of the policy of protection.

A LITTLE SPECIAL PRIVILEGE; THAT'S ALL.

Question. How does the Underwood bill differ in title from the Republican law of 1909?

Answer. The contrast in title is significant. The Republican law was entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes." There is nothing to "encourage the industries" in the Democratic bill, the title of which is "A bill to reduce tariff duties and to provide revenue for the Government, and for other purposes." A better title for the Democratic bill would be "A bill to encourage foreign competition and to reduce American production," for this, in fact, is substantially the purpose of this bill, except as to raw cotton.

Question. Does the Underwood bill provide for any protection at all?

Answer. None on principle, but a little on "special privilege."

Question. Name some of the "special-privilege" items.

Answer. Cotton, as stated, does not need any protection. It is an American monopoly, sold largely abroad, and is therefore on the free list; but several of the cotton-growing States are taken care of in relation to cattle, cotton bagging, Angora goat hair, press cloth, citrus fruits, peanuts, briar wood, and so forth. The desire to destroy protection in chemicals, earthenware, iron and steel, woolen and cotton goods, and other factory products, however, is not applied in the bill to shipowners, who are offered a direct bonus of 5 per cent over foreign competition; that is to say, the bill is consistent in its purpose to destroy protection, except in the case of a few political friends whose "ox is gored."

Question. What is the objection to the 5 per cent ship subsidy?

Answer. In some respects the 5 per cent protection or subsidy to shipowners may be a good thing. It proves the inconsistency of the Democratic position. As most of the ships that would be benefited belong to so-called trusts, like the Standard Oil Co., "the taxing of the rich and the relieving of the poor," which the gentleman from Alabama in his opening speech proclaimed to be the purpose of the Democratic Party, is not apparent in this case.

WAS THE FARMER TREATED FAIRLY?

Question. Is there a report accompanying the Underwood bill?

Answer. Yes; there is an explanatory report which was put into print for distribution day before yesterday. In his opening address the gentleman from Alabama followed substantially the lines of this report.

It is a labored effort to find excuses for the drastic and unscientific changes contemplated in the bill. It first contends that the people got along happily under revenue tariffs until the Civil War, and then complains of the higher tariffs since existing. It fails to note that all the real progress of the Nation occurred under Republican tariffs since the war. Now it finds that the Payne Tariff Act of 1909, which gave us a surplus of almost every commodity, including free imports, was responsible for the high cost of living—an economic phenomenon in no way special to the United States. Again, the committee fails to recognize the steady employment of labor at increased pay and reduced hours. Nor does it consider the advantage to the agricultural population whose farm products, sold in the cities, advanced 93.2 per cent in price from 1897 to 1910, while city-made clothing, sold to the farmer, advanced only 35.8 per cent in the same period, and house-furnishing goods only 24.2 per cent. And as to this it may be explained that the differences between Republicans in the campaign that elected Mr. Wilson were due largely to the persistent untruths that were circulated with regard to the high cost of living. The farmer was told he paid too much for his clothing. The figures just presented (and they are taken from the committee's report) show that the price of farm products advanced under the Payne law more than twice the amount of advance upon clothing prices. The farmer profited under the tariff more than the industrialist, but he was lied to and made to believe the industrialist was not his friend.

PROSECUTING THE TRUSTS.

Because of the organization of large combinations of capital made necessary since the Civil War by increased public demand for transportation and other utilities and commodities the tariff is blamed for certain bad trusts, and this in spite of the fact that Grover Cleveland, the last Democratic President of the United States, and his Attorney General, Mr. Olney, refused to proceed against unlawful combinations, although they have since been successfully prosecuted under successive Republican administrations. And there is a peculiar effrontery about this, in view of the free-trade provisions of the Underwood tariff bill, which operates directly in the interest of the sugar, iron and steel, oil, match, salt, chemical, and other trusts large enough to have an international "gentlemen's agreement," by which they may crush out their independent American competitors, avoid the tariff, and put the revenue burden upon the lessened earning power of the American people.

POPULATION RISING TOO RAPIDLY.

The report holds the Republican tariff responsible for the utilization of our natural resources. This is amusing. It deplores the fact "that the protection system has been greatly influential in maintaining a too rapid rate of depletion of natural resources in order to satisfy the constantly increasing demand of a rising population." Evidently, it expects a rising population of 95,000,000 to adopt the idealistic, but nonbread-winning, theories of President Wilson to discard "the artificial arrangement" and return to the "laws of nature." We are not to erect any "hothouses" to protect our plants; we are to leave them naked to the tender mercies of the beautiful snow. Why eat salad which is raised under glass when you can get any old grass by rooting in the ground?

Question. Then you do not regard the Underwood bill as a "scientific production"?

Answer. It is neither scientific, practical, patriotic, nor just. It is guesswork—a mere stab at rates in order to justify the Democratic contention. The loudest howl of the campaign demagogue who pretends to represent the people has been levied against luxurious living. The Democrats said they would punish the luxurious. They were "dead against the wallflowers and the dress-suit fellows." Heaven forbid that anyone should

ever see a Democrat riding in automobiles or going to theater parties in "swallowtails." Perish the thought that any true Democrat should ever wash with castile soap or deny "pot licker" for the city brew.

DEMOCRATS WANT MORE PERFUMED SOAP.

Question. And how did the Underwood bill meet this delicate political situation?

Answer. By reducing the duty on perfumed toilet soap from 50 per cent ad valorem under the Payne law to 40 per cent ad valorem under the Underwood bill. The aroma of victory, the spoils of war, have beaten down the soap-fat brood, and the Democratic Party has emerged from the backwoods. It demands soap, foreign soap, perfumed and Frenchified, and instead of raising the duty on this exquisite and deliciously flavored compound de luxe it adds it to the "bath of nature" and admonishes the thrifty farmer's wife to chuck her fat to the pigs. In their abhorrent list of luxuries the Democrats have admitted "china, porcelain, Parian, and crockery ware, painted or decorated," at 15 per cent less duty than the Payne law imposed; and "manufactures of marble, onyx, alabaster, and jet," not used extensively by the "downtrodden," they have admitted at 5 per cent less; and these are but a few of the efforts to relieve the poor and punish the rich. Verily, the Democratic orators are "sure friends" of the "downtrodden" before election, but they like "the trimmings" after.

PUNISHING THE OLD ESTABLISHED HOUSES.

Question. Have you any further comments on the report?

Answer. Yes. The report undertakes to prove, as the gentleman from Alabama did in his argument, that by arresting the woolen and cotton industries—because they have successfully used old machinery and equipment for 50 to 60 years—the men who engage in manufacturing enterprises will be taught to adopt the methods of foreign competitors in equipment and efficiency. It was formerly the rule in certain sections of the country to induce our enterprising citizens to undertake the construction of mills, and they were frequently offered local inducements and free taxes for a period of years. Under the new system, as proposed, this is no longer permissible, for the man who dares to invest his money in a manufacturing enterprise, or who dares to borrow money for that purpose, must understand at the start that he must adopt the foreign methods and that he must employ only those who are willing to work at the foreign wage. This is surely un-American. Moreover, he is told that if he enters into the manufacture of linoleum, for instance—linoleum being a poor man's commodity—that on burlap, which is his raw material and which he acquires from foreign sources, because it can not be made in the United States in competition with the wretched labor of India, he must pay a duty, while there must be a reduction upon the duty on linoleum itself. Or if he undertakes to erect a mill to grind wheat, he must expect to pay a duty upon the Canadian wheat, which is his raw material, while Canadian flour, manufactured by his foreign competitor, may come in free. Or if he undertakes to make carpets, he must stand for a reduction of duty upon his finished product, while he pays duty upon the dyestuffs that are amongst his raw materials.

INCONGRUITIES IN THE BILL.

Among the other incongruities of the Underwood bill is its treatment of umbrella manufacturers. The bill admits finished umbrellas ready for sale at a lower rate than it imposes on the component parts of an umbrella. Hence, the foreigner is enabled to get his umbrellas into the American market cheaper than it costs the American maker for his raw material.

Question. You have referred to burlap, what about bagging?

Answer. It may be pardonable for the gentlemen who come from the cotton States to take care of their own, and without intending to be invidious, it seems they are doing it in this bill. They have taken burlap off the free list, it being the raw material used in the manufacture of linoleum, but they have carried "bagging for cotton, gunny cloth, and similar fabrics" to the free list, together with "press cloths of camel's hair." In other words, while taxing the manufacturer of linoleum, umbrellas, and so forth, upon their raw material, the bill removes the duty from the raw material of the cotton planter and the cottonseed-oil manufacturer. Thus, a little bit of "artifice" seems to have been injected into the "laws of nature."

SMALL CHANCE FOR YOUNG AMERICA.

Question. Is there anything in the bill to encourage an ambitious boy?

Answer. There is nothing in the bill or the report to encourage any boy to exercise his brains or ingenuity for the advancement of the industrial welfare of his country. If he undertakes to engage in any enterprise involving employment of labor which is paid higher wages than is paid the cheap labor of

Europe he must expect to face a foreign competition that will crush him at the outset of his business career. He is caught between the upper and the nether millstones. And unless he is big enough to establish foreign connections, or can tie up with some trust that is able to defy American regulation, he must go down with the independent "little fellow" whose quietus is established by this bill. There is one way, however, by which an energetic young American may make money temporarily under the new system. He can buy out the stock of manufacturers who are driven to the wall, or of dealers in commodities who have been foolish enough to keep on hand supplies purchased at American prices until the flood gates are let down to foreign cheap goods. He may then do business as an auctioneer, or with the great department stores whose splendid advertising facilities will enable them to draw upon the savings of those who are in quest of bargain sales. Or, if he be clever enough, he may be able to locate in Canada or Europe a market for the machinery of dismantled American mills.

THE ABYSS OF DREAMS AND DOUBT.

Question. Does the bill attempt to regulate the trusts?

Answer. It does not. The Democratic Party has pretended that it would kill the trusts, but this bill will aid rather than hinder them. The Underwood bill stands pat on cotton. It pretends to on tobacco, but gives free trade to the Philippines. It is cruel to the sugar planter and the woolgrower, and is utterly offensive to the independent industries. It proposes to discipline the manufacturers of the country and all their employees by eliminating the profits and reducing the wages. There is no relief to those who look for a continuance of prosperity, but, on the contrary, the bill imposes an additional burden of unnecessary taxation. It is a bill in the interest of the speculator, the juggling importer, and those who control big business. It is an inducement to the business man to move to Canada or to Europe, and is altogether a surrender of the greatest prosperity of the greatest of nations to agitators and theorists, who neither know nor seem to care how great the havoc they invite. Speaking broadly, there is nothing in this bill for the American farmer, nothing for the American workingman, but everything for the foreigner. Recklessly and with deliberation the bill as written plunges the substance of our national progress into the abyss of dreams and doubt. [Prolonged applause on the Republican side.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. GILLET].

Mr. GILLET. Mr. Chairman, as I rise to speak to-day I am reminded vividly of the conditions when I first entered Congress 20 years ago. Then, as now, there was a Democratic President, a Democratic Senate, a Democratic House of Representatives, with a Democratic Speaker, who avowed his belief in free trade. A tariff bill was then, as now, the prime object of the Democratic Party. It was under the charge of a brilliant, cultivated, charming man, with the auspicious and prophetic name of Wilson, a college professor, a native of Virginia, a man undoubtedly of noble aspirations for the good of the whole country, but, as we Republicans thought, with erroneous theories on the tariff and with some sectional prejudices. On the day when the bill passed this House there was the most open exhibition of excited enthusiasm I have ever witnessed here, and that Mr. Wilson was borne about this Hall on the shoulders of some of his younger supporters, among whom I remember the stalwart form of the present dignified Secretary of State, amid the cheering of the Democratic side. But that was the last enthusiasm the Wilson bill ever evoked, and the only cheers it ever occasioned afterwards were the cheers that rang throughout the whole United States for its repeal. It went from this House to the Democratic Senate, where it was mangled and tortured into that form of perfidy and dishonor in which it was finally presented to the world as a bastard, the Democratic President refusing to authenticate it by his name.

I wonder if the analogies which are so striking in the early stages of this bill will continue to the close. That no one will know for months and perhaps years. But I am ready to admit that this bill in its present form, despite its numerous inconsistencies, goes far to carry our Democratic theories and fulfill Democratic pledges and gratify the reliable Democratic States. And if it becomes law I am ready to wait and stake the future of the two parties on its results. If, as they promise, it reduces the cost of living without lowering the scale of wages or exterminating and banishing great industries, I will admit they were right and we were wrong. I am ready for the test. And I am also ready to admit that the former Wilson bill came into the world under most unfavorable circumstances, while present appearances indicate that for this bill the industrial and financial condition of this country and the world will be most auspicious.

And so recognizing that this bill is a fair exponent of the Democratic theory and will test the antagonistic principles of the two parties, we can only await with patience and fortitude its results. Accidents of trade, of crops, of financial stringency, or business depression in Europe, of peace or war may accelerate or retard its natural effects, but they are sure to reveal themselves, and the country is sure to feel and to judge them. For that verdict we Republicans can afford to wait. If they have discovered a magical method of furnishing the consumers cheaper goods while keeping the producers busy at higher wages, we will all join in applauding their success. But if they do not materially cheapen the cost of living, or accomplish it only by such importations of cheap goods as close our mills and drive our workmen into idleness, then all will join in punishing them for their failure.

I do not mean to enter upon any general discussion of the evils of this bill. It would take too long and has been done most satisfactorily by the Republican members of the Ways and Means Committee. I stand upon the broad Republican ground that a tariff should give protection to all the productive enterprises of every section of the country sufficient to enable them to cope successfully with the cheaper labor of other nations. The amount of protection should be measured by the difference of labor cost, so that our high standard of wages may be maintained. I believe that conditions have so changed that the old Republican theory of protection is outworn and obsolete and must be modified, and I think if we had recognized and admitted this earlier the Republican Party would stand better to-day. Formerly the main object was to make sure that the protection was high enough, and if it chanced to be unnecessarily high, so that all foreign competition was absolutely prohibited, no harm was done, for domestic competition could be relied upon to keep down prices and prevent exorbitant profits. But since the development of trusts and large combinations, which annihilate domestic competition, it has been important that the duties should be so scientifically arranged that they would be just high enough to prevent large foreign importations when domestic prices were reasonable, but would encourage foreign importers to be keen competitors of American producers if they attempt to raise prices so as to obtain exorbitant profits.

Because of these changed conditions the Tariff Commission has become valuable and indispensable to study for us thoroughly the industries, both abroad and at home, and give to the framers of tariff laws the exact facts on which they can base the rates and meet the modern necessities. Of course, prices are constantly fluctuating, both here and abroad, and it will be impossible to fix all duties so that they will exactly and permanently equalize the labor costs of different nations; but to approximate that should be the aim of every Republican tariff law, and an impartial, judicial, nonpartisan tariff commission, like the one which the Democratic Party has just abolished, is a necessary step toward that goal. The Democratic Party scorns the assistance or judgment of such a nonpartisan commission. They do not pretend or attempt to fix duties so as to equalize labor conditions or prices. They aim to raise revenue only, regardless of the effect on our producers. And having no universal standard, they naturally fall into favoritism and sectionalism.

The country has come to believe that the Republican tariff was too high; that it unreasonably increased the cost of living; that large interests were unduly instrumental in framing it and reaped undue profits from its protection. It is useless now to discuss the merits of this popular criticism, because the Republicans in Congress have now committed themselves to a course which in the future prevents a repetition of any such suspected abuses. The new Republicanism has pledged itself to a scientific tariff, based upon the report of a nonpartisan tariff board of experts. That raises the simple issue of protection between the two parties. Do the people want a tariff bill like this, which avowedly disregards in fixing duties the difference in labor cost here and abroad and has no rule or standard except revenue tempered by favoritism and sectionalism, or do they want a scientific, impartial, business tariff of protection? I have little doubt which the people of my district will prefer. This bill injures seriously too many local industries to become popular there. Scattered throughout New England are innumerable small factories which will find existence a struggle under this law, and I apprehend danger for even some of the largest.

Close to my home is a striking example of the inconsistency and sectional favoritism of this bill. The Ludlow Co. makes, among other things, bagging, which is used to cover bales of cotton. The duty on it now is only six-tenths of a cent per square yard, which is only 10 per cent ad valorem—an ex-

tremely low duty. Its main foreign competitors are in Calcutta, where the jute of which it is made grows, and where laborers are paid from \$1 to \$3 per month, working 81 hours per week. If there is any industry which needs protection it would seem to be this, which must import its raw material and its machinery and compete with the cheapest labor in the world superintended by Englishmen and equipped with the same machinery. Their protection is now only 10 per cent, so small that Calcutta bagging now comes in and supplies about a quarter of the market and pays a revenue to our Treasury. It would seem there need be no change there. It would seem that both under the Republican theory of protection and the Democratic theory of a tariff for revenue this small duty should be maintained. But this bill strikes off all duty in order that the southern planter may hope to save 3 or 4 cents on the covering for each bale of cotton, which is worth from \$50 to \$75. They take away all protection, they take away all revenue, they annihilate a flourishing industry in order that the southern planter may have the advantage of Calcutta labor and save a few cents, though even that will be short lived, for when the Indian manufacturer has gained a monopoly of the market he will have no consideration for the southern planter, there will be no American competition, and up will go the prices. It seems to me a barefaced and shortsighted attempt to save money for the planter of the South at the expense of the manufacturer of the North.

Mr. HARDWICK. If the gentleman will permit, does not the gentleman think that the cotton planter of the South ought to have his bagging and ties free as much as for the farmer of the West to get his binding twine free?

Mr. GILLETT. Oh, that is not a fair comparison.

Mr. HARDWICK. Why should not they be treated alike?

Mr. GILLETT. There was never any binding twine imported, so free binding twine has never made any difference.

Mr. HARDWICK. Does it not affect the price?

Mr. GILLETT. Not a particle. When binding twine was put on the free list there had not been any importations of binding twine for years. It was apparent that the tariff was prohibitory and it was put on the free list. What was the result? Still there were no importations of binding twine. Apparently there was not any made that could compete with us, even without a duty, and from that day to within a very few years there was no competition on binding twine and it could well afford to have that duty taken off.

Recently there has been a little importation, and from whom? Has it come from countries like India, where labor is employed at 50 cents a week? Why, no. The only place that binding twine has been imported from is the only country that I think we do not need to have any protective tariff against—from Canada. And it was produced there, I presume, simply because the agricultural-implement industry moved over there from the United States, and in that connection they made binding twine and sometimes dumped their surplus into the United States. So that has no analogy at all. It differs from this in the fact that when that was put on there was no importation of binding twine, whereas now in cotton bagging there is an annual importation of 20 per cent of all that is used, and the only nation that ever has made binding twine in competition is a nation where the standards of labor and living are almost like those in the United States, and not, as in the case of cotton bagging, so low and inferior that no one will pretend that there can be equal competition between us.

There is another factory in my district which is likely to be closed by this bill. It manufactures celluloid or fiberloid. That is an invention of American brains. Later it was taken up and our machinery was copied in Europe. It has had a high protective tariff, under which it has prospered. I think the duty has been unreasonably high, but there has been keen competition among the American manufacturers and prices have been much reduced and have steadily trended downward. This bill has lowered the duty from about 75 per cent to 15 per cent, a rate at which we can not compete with German and French labor, and at the same time, as if this was not enough, a duty has been laid on one of its main ingredients, camphor, which is admitted free in the other countries. So you increase the duty on the raw material and take off three-fourths of the duty from the finished product. Moreover, the industry has just been introduced in Japan and a superb plant, costing a million dollars, has been completed there, equipped with the best American machinery, built by American architects, and American mechanics have been taken over there to superintend it and train the cheap Japanese labor to compete with us—with only 15 per cent duty.

Mr. HARRISON of New York. Will the gentleman kindly yield?

Mr. GILLETT. Certainly.

Mr. HARRISON of New York. I will say to the gentleman that the chief competition in articles of celluloid comes to-day from France and Germany.

Mr. GILLETT. Certainly.

Mr. HARRISON of New York. And, leaving out of account this question of the future competition with Japan, the rate of 15 per cent ad valorem in our bill on the moderate kind of celluloid articles represents exactly the difference that the manufacturers here pay for their materials of manufacture as compared with foreigners.

Mr. GILLETT. It represents no difference as to the difference of wages paid.

Mr. HARRISON of New York. No; we do not take that into account; they have been competing in that respect heretofore, but in material the 15 per cent exactly balances the French and German cost.

Mr. GILLETT. Then the purpose of the committee was to put us on an exact par with them in the cost of materials of which the celluloid is made and not take into account at all the difference in wages.

Mr. HARRISON of New York. In other words, to put our manufacturers on a competitive basis with the foreign manufacturers.

Mr. GILLETT. I am very glad to know that is the project—that they shall absolutely have no protection at all, but are simply put on an equal footing. That is what you mean by a competitive basis. That is exactly the theory which I supposed this bill was founded upon; it is the theory of free trade, and with that theory you will, I believe, wipe out this factory of ours, for the cheaper wages of Germany and France can easily undersell us; and with this new plant in Japan it will be but a short time, with their cheap labor, when Germany and France will also be driven out of our market.

Mr. HARRISON of New York. Will the gentleman courteously yield again?

Mr. GILLETT. Certainly.

Mr. HARRISON of New York. It is difficult for anyone to foretell what the Japanese may or may not do.

Mr. GILLETT. I recognize that.

Mr. HARRISON of New York. I think it is fair to say up to the present time their labor has been cheap only in the amount of wages paid, but it has been very expensive labor in the cost of the product they turn out.

Mr. GILLETT. This new plant, which is about ready to start, will test the justice of the gentleman's expectations; and I think this extreme reduction of the duty on fiberloid or celluloid and the avowed purpose to cut off all protection against the different cost of labor in Germany or France or Japan is characteristic of this whole bill and stamps it as a free-trade experiment.

It was expected that this bill would provide an income tax, but I think many of the original supporters of such a tax will be grieved by the use made of it here. It was advocated as a tax to be reserved for cases of great emergency, and yet now \$70,000,000 are to be raised by it in a period of profound peace and unexcelled prosperity in order that salutary protection may be taken away from some of our industries. I criticize, too, the provision exempting from tax all incomes under \$4,000. The great majority of our people never hope to have \$4,000 a year, and they would be glad, if they could be assured of that income, to pay a liberal tax on it to the Government. But by making the limit of exemption much smaller, say \$1,000, a most important and desirable result could be attained. Then every one who earned over a thousand dollars a year would have a direct, personal, and keen interest in the expenditures of the Nation. I do not care how small the tax—let it be a half of 1 per cent, which would 50 cents on an income of \$1,100 and \$5 on an income of \$2,000—but let it rise and fall with the expenditures of the administration. If the administration was economical, the tax would be only five on two thousand, but with increasing expenditures the tax would have to be increased. Then for the first time every citizen with an income over \$1,000 would have a personal interest in Government expenses. Then would be brought to the notice of each man what kind of housekeeping there was at Washington. To-day the ordinary voter is entirely ignorant and indifferent as to the expensiveness of the administration. The taxes are indirect; he does not feel that he is paying them, and as long as his locality gets what it wants he is regardless of what may be wasted in other localities. A Congressman is praised in proportion to the national money he gets spent in his district, and the more extravagant he is the more popular. An honest zeal for economy means to him only a loss of votes. I recently heard a Congressman say that if he wished to be popular he would vote against every tax and and in favor

of every appropriation. Under such conditions you can not expect economical results. The Nation needs sorely some device to excite in the ordinary citizen a study of national expenditures. Nothing would accomplish it so effectively as imposing on him a small income tax, which should vary according to the amount the Nation spent.

There never was a time when such a device was more needed than just now. One of the most marked and obvious developments of recent years has been the enlarged scope of the activities of the National Government, and the subject has been debated as incessantly as such an interesting phenomenon deserves, and I do not intend to add my comments to the general discussion. Being by tendency a Federalist, I see nothing disquieting or alarming in most of the new features of Federal power. But there is one phase of the situation or trend which is seldom mentioned, but which, as a member of the Appropriations Committee, has attracted my attention and concern, and that is its effect upon our national expenditures. I do not mean so much the expense of these new activities—though in some cases that is vast enough—but I mean more the constantly growing and unchecked and endless expense which results and will result from the new attitude of the people toward the National Treasury.

I doubt if there is any phase of the new Federalism where the growth is more prodigious or to me so appalling as here. The people seem of late to be learning to look on the Federal Treasury as a vast reservoir from which they can draw endlessly without exhausting it, and which will be kept full without any burden on them. Consequently, each person's interest and constant endeavor seems to be to get for himself and his neighborhood as large a share as possible of this free and gratuitous outflow.

Such a state of mind on the part of our constituents is dangerous in several ways. It is demoralizing in the same way that gambling is demoralizing to the individual, by inducing the belief that work and industry and self-sacrifice are superfluous, that wants can be gratified without effort, and that it is not honest exertion alone that is rewarded, but that there is an easy way by which the same reward will fall in your lap without struggle or self-denial; that there is a father of boundless wealth who can gratify all your wants without expense to you and that self-denial and economy are as superfluous as they are inconvenient.

Nothing is so fatal to industry and enterprise as such a feeling. It is most unfortunate for man or nation to learn to rely for success on anything except his own steady effort. Yet such a feeling is spreading all over the country.

And the people seem to be learning to believe not only that Federal laws make prosperity but that they keep the Treasury full without expense to them, and that the special occupation of each Congressman should be to decide how that Treasury can be emptied with most direct benefit to his locality. The very immensity of our country makes such a belief and habit dangerous. It is impossible for different sections to understand the comparative needs and claims of each other. Their knowledge of conditions is not accurate enough to give them a sound basis for judgment, and there is not enough mutual sympathy and acquaintance to make them fair-minded in their decisions, so that there is a constant struggle of each to obtain all that it can; and this, of course, leads to combinations, mutual concessions, and shameless logrolling, all of which add expense and outlay to the Nation.

The fact that our national taxation is largely indirect and its burden unfelt by the mass of the people increases this tendency and encourages the desire to enlarge the national activities and divert, as far as possible, burdens from the State and municipality to the Nation.

And so an administration can rush into expenses beyond its income without incurring that severe rebuke which would be sure to follow if the people had to directly open their purses to make good the deficiency. The only check here is the impending disgrace of a bond issue. In England an administration whose expenditures exceeded its income by \$20,000,000 would be thrown out of power as incompetent and extravagant, and yet we allow our expenses to exceed our income by \$100,000,000 and the people, instead of being disturbed and rebuking us and demanding a stricter economy, clamor loudly for still larger outlays and are heedless of the deficit.

England raises the bulk of her revenue by permanent taxes which require no action by Parliament from year to year; but in order to adjust the income closely to expenses certain taxes are voted only a year at a time, and the rate is raised or lowered according to the necessities of the year. For many years the only taxes so treated were the income tax and the tax on tea, but recently beer, tobacco, and spirits have been included

in the same class. These are all taxes which the people feel at once, which they fret under and wish to be relieved of, and will only endure when satisfied of their necessity; and so the popularity of the administration is always concerned in their reduction, and there is a constant stimulus toward economy.

England needs such a stimulus less than we do because she has a tremendous influence for economy in the fact that no appropriation can be made except when recommended by the Crown, which means by the ministers. Parliament can reduce expenditures below the estimates of the ministry but can never increase them. This gives vast power to the ministry and is a prodigious buffer against extravagance.

We see too often in our appropriation bills illustrations of the danger pointed out by Lowell in his work on the Government of England, that "expenditures directly caused by the irresponsible action of private members may originate in personal or local feeling, and then be adopted through heedless good nature or skillful logrolling." I think we should do well to borrow from the longer experience of England and have a purely revenue tax like this which the people would directly and keenly feel, which would prove up and down automatically with the condition of the Treasury, and which would act as a constant admonition to the administration and the party in power to be thrifty and economical.

This income tax would fulfill those conditions if it applied to all incomes over \$1,000. As provided in this bill, no one with an income less than \$4,000 is reached by it, and consequently less than one-half of 1 per cent of the people pay it or feel it, and its effect in awakening an interest in economy among the people is insignificant. For that reason I hope the bill will be amended, and a small tax imposed on incomes between \$1,000 and \$4,000, and thereby the interest of a great and influential body of citizens will be aroused in national taxation and a wholesome change will be initiated in the attitude of the American people toward national expenses.

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I yield to the gentleman from Washington [Mr. FALCONER].

Mr. FALCONER. Mr. Chairman, in the time allotted to me this afternoon I am going to talk to an item in the free list of the proposed tariff bill involving an industry of much importance to the State of Washington.

In passing, however, I wish to observe that to the new Members on the floor of the House there have occurred some interesting incidents that have added just a little zest and interest to the proceedings. We have been highly entertained the past few days by the efforts of the two old parties in their endeavor to parade the legislative inconsistencies of the opposing forces.

The gentleman from Massachusetts, opening the debate last Tuesday on the Republican side, partially stated a fact when he said in effect that the downfall of the Republican Party was due in a large measure to the self-centered egotism of the men in control—men who had become intoxicated with power acquired by long continuance in office, and who, through disregard for the demands of the people generally, had caused an unrest and resentment on the part of the people which resulted in defeat for the Republican forces at the polls in the recent election. He might have gone further, indeed, and said that the same arrogant disposition of the men at the head of affairs in this Nation was supported by a silent and unseen influence which held in its greedy fingers the reins governing political and legislative action.

It was this silent influence which, in some localities in this country, exploited men, women, and children in certain industrial centers that other men and combinations of men might reap unearned and dishonest riches.

It was this silent influence that brought about a condition where one man of vast wealth disregarded the demands of the Congress of the United States and refused to appear before its committee.

The gentleman from Massachusetts, in glowing terms of praise, referred to the gentleman from New York as the master American mind in the science of tariff, and probably rightly so, and then proceeded to explain that this man in whom the country had much confidence was outvoted in the Ways and Means Committee and forced to give his name to a bill that he did not wish to father, but which he finally accepted and, out of deference to his confrères "complained not."

The conclusion is that the arrogant mind of powerful forces overrode the judgment of the tariff expert, resulting in dissipation and ruin to the Republican Party.

I take it, sir, that the other side of the House will agree with the remarks of the gentleman from Massachusetts.

The gentlemen on the Democratic side of the House, demonstrated by the speech of the gentleman from Pennsylvania, are still of the opinion that the tariff problem is a local proposition.

In the district in which he resides he finds it convenient to place the raw material on the free list and a duty on the finished product, inconsistent with the conclusion that in the West the raw material should be taxed and the finished product free. Iron ore to the Bethlehem Steel Co. free; their finished product taxed. Wheat and cattle to the western miller and butcher taxed, but flour and dressed beef free.

The gentlemen on the Democratic side of the House have frequently referred to the Progressive forces, here represented, as misled enthusiasts, following the lead of one man. The Progressive forces are aware that in the recent campaign their party was headed by a man who is the greatest constructive genius produced by this or any other country in this generation. The Progressive forces are graced by the men who are recognized leaders in the thought and action of American life.

American history, speaking from its thousands of pages, proclaims that the potential force back of every great movement is not the councils or assemblies of men, but the earnest purpose and dynamic force within the heart and mind of one or a few men.

But, Mr. Chairman, limited time demands consideration of the tariff relative to the shingle industry.

In considering the effect of the tariff bill now presented by the Ways and Means Committee on the red-cedar shingle industry I submit that while the red-cedar shingle industry is a comparatively small factor in the commerce of the United States, it is an industry that means much to the people of the State of Washington, and particularly that portion of the State lying on the Pacific coast west of the Cascade Mountains. About 68 per cent of the entire quantity of shingles manufactured in the United States are manufactured in this territory, and within the next few years the shingle industry of the United States will be pretty largely confined to the Pacific coast, since the white cedar of the Central States and the cypress of the Southern States is being manufactured into lumber products bringing greater returns to the operators. There are 410 shingle mills operated in the State of Washington, having a yearly capacity of 45,000 carloads. You note that I use the word "capacity" and do not mean the output. These mills employ about 15,000 men, over 99 per cent of whom are white men eligible to citizenship in the United States.

The shingle industry is one of the largest industrial factors in western Washington. When the shingle mills are running and employees are kept in steady employment the merchants have no occasion to complain of poor conditions. But when the shingle mills of western Washington are closed down the effect is immediately felt by practically every commercial line in the State. Taking up the features of the independent shingle mill—that is, the mill that is not combined with the lumber-producing mill—the great bulk of raw material used in the manufacture of shingles is composed of short, broken, and refuse cedar. As a matter of fact, many of the mills to-day through the country, built at a cost of a few thousand dollars—and there are many of them—are a large factor in helping to develop logged-off lands of western Washington. The man who owns a few acres of logged-off land and wishes to develop it finds it to his advantage to have a market for his picked-up shingle timber in a local mill, for he not only spends his time in converting this rough stuff into shingle bolts, but at the same time finds that the stumpage price he gets for this material gives him a very good day's wage in connection with his labor, for realizing \$1 a cord stumpage, together with \$1.50 for labor involved in cutting a cord of shingle bolts, he finds that he can earn better wages than he could get from day labor working in an industrial center and away from his family. And further, every stick of broken and refuse timber that is taken by this method from his land helps to improve the land and put it in a condition where it is less expensive to clear for dairying and agricultural purposes.

The majority of shingle mills in western Washington are mills that take this kind of material. Under the present law we have a 50 cents per thousand duty on shingles. Previous to the Payne-Aldrich bill we had a duty of 30 cents per thousand. At the hearings before the committee it was proved to the satisfaction of the members that 30 cents was not a sufficiently high duty to put the Washington manufacturer on a working basis with the British Columbia manufacturer.

The labor conditions in the shingle mills of western Washington are as wholesome and as satisfactory as are to be found in probably any industry in the country, and the average shingle weaver is an expert in his line, giving the best possible service and demanding a high scale of wage. They demand and

receive a high scale of wage, and are entitled to it from the expert workman's standpoint.

The mills while in operation are generally run under high tension and at full capacity, and the shingle weaver who meets the demands of his occupation realizes that he is in hazardous work.

Out of the 15,000 men employed in the shingle industry in the State, there are thousands of men whose hands bear evidence that they are employed in a hazardous industry. There is probably no class of men who have a finer regard for their responsibility to the men who employ them than the employees in the shingle industry.

The amount of money involved in the raw material in a thousand shingles is about 20 cents. Putting shingles on the free list is not only cutting out the entire value of the raw material, but takes 30 cents off of the labor involved in the production of a thousand shingles. So this bill presents the fact that it is neither the intention of those who have framed the bill to make an allowance for the raw material or to give any protection to the men employed in the labor of producing shingles.

I have previously stated that the capacity of the shingle mills in western Washington is about 45,000 carloads per annum. I will say here that the output of shingles is very much less than that amount, because of the fact that on an average the shingle mills of Washington are shut down several months each year, due to an overproduction of shingles in the United States. With that condition obtaining in our own country there is certainly no demand for the importation of shingles from a foreign country. There is probably no manufacturing line that makes a stronger demand for economy of management than the shingle-manufacturing industry, due to the ups and downs and irregularities of the shingle market.

If a shingle operator could make 20 cents a thousand it would be considered a splendid return for the money invested in his plant. Looking at the matter from this angle, if we would allow 20 cents as the average for raw material and 20 cents for the manufacturers' profit, it would mean that \$1.50 to \$1.75 would go to labor. There are few industries in the United States where the product gives such a large per cent to labor, and it will appear that the Ways and Means Committee have overlooked the necessity of giving proper consideration to this feature of the shingle industry.

If this bill becomes a law we find the shingle manufacturers of Washington confronted by conditions obtaining in British Columbia which will operate greatly to their disadvantage. From the best authority I have been able to get the shingle mills of British Columbia could produce 50 per cent more shingles than they have produced the last two years, and the only reason that the British Columbia mills, with cheap labor and cheap raw material, have not run to full capacity is the fact that the 50 per cent duty has kept them out of our territory. It has been suggested by those who favor taking the duty off of this product that the Canadian mill operators have already, during the past few years, been shipping shingles into the United States. That within itself is an argument showing that labor and stumpage conditions over there are such as to give them a great advantage over the manufacturers of our own country, and this advantage is due to the cheap labor and stumpage of British Columbia. British Columbia has all the advantages of natural timber resources to be found in the State of Washington, and greater advantages, due to the fact that the shingle manufacturers and lumber manufacturers have not operated in that territory for any great length of time. For hundreds of miles along the coast lines of British Columbia and Vancouver Island are to be found fine stands of cedar timber, with the finest kind of transportation facilities, and stumpage on this timber is much less than the stumpage on a like quality of timber in the State of Washington.

There is already a large number of mills in British Columbia, and with the Underwood tariff bill in effect there is much timber there to furnish raw material for a large number of additional mills.

Only a small portion of British Columbia timber is exported to the United States, and on this that is exported from Crown grant lands there is an export duty of from \$1 to \$3 per thousand feet. In addition to this, there is a transportation expense and towage amounting to about \$1 a thousand feet for bringing these logs from Vancouver to the Puget Sound mills. The logger in British Columbia handling cedar logs would prefer to sell his logs in Vancouver on the British Columbia side at a price of from \$2 to \$4 per thousand less than he would sell the same quality of logs to the American mill operator and assume the risk of transportation.

This gives to the Canadian manufacturer an advantage averaging 30 cents a thousand added to the difference in labor, which makes the present duty a necessity in order to put the Washington manufacturer on a par with his British Columbia competitor.

Seventy-five per cent of the labor employed in the mills of British Columbia at the present time is oriental, Chinese, Hindu, and Japanese labor, whose methods of living would not appeal to the average white laborer. Their wages are very much less than the employees in the American mills, and the wage earner of Washington is not now and never will be in a frame of mind to accept wages on a par with the oriental.

The cheap-labor factor involved in this matter has been thoroughly presented to the Ways and Means Committee in former investigations of this industry, but I again call the attention of the Members of the House to some of the details. It will be conceded that the natives of India, the Hindu, are British subjects and have a right, under the laws of Great Britain, to enter the Dominion of Canada, providing they can pass the proper medical examination and have in their possession sufficient money at the time of entering to insure them a competency until they have had reasonable time to obtain employment. Twenty-five dollars has been fixed by the officials of British Columbia as a sufficient amount to pass an Asiatic immigrant into the Province. The Chinese are permitted to enter into and work in British Columbia upon a head tax of \$500 in each case, after having successfully passed the medical examination. From an economic standpoint it costs \$500 to introduce a Chinese workman to employment in British Columbia, and that amount, borrowed at 7 per cent, is equivalent to about 12 cents per working day. While \$500 per capita might seem to be a barrier to the entry of these people, it does not operate to keep the Chinese out, for in less than three years, 1907 to 1909, 8,000 Chinamen entered Vancouver, British Columbia.

Under the terms of the treaty of Japan and Great Britain, ratified by the Government of the Dominion of Canada, Japanese subjects have the right to freely enter British Columbia for the purpose of employment. It has been suggested that there is an official understanding whereby only 500 Japanese per annum are to be given passports entitling them to work in the Dominion of Canada. This, or a similar agreement, has been in effect for a number of years prior to 1907, and yet since that time many thousands of Japanese have immigrated into British Columbia, so that at the present time about 80 per cent of the labor employed in these mills is oriental, receiving a much less wage than is paid the American workman—in fact, a wage that any self-respecting American workman would refuse to accept.

These are the relative conditions obtaining in Washington and British Columbia at the present time; but if the Underwood bill becomes a law it is very probable that conditions will be greatly altered in the State of Washington as well as in British Columbia; for there are many men now engaged in the manufacture of shingles in the State of Washington who, under the advantages offered in British Columbia in cheaper timber and cheaper labor, would be forced to retire from business, and naturally they would look for locations in British Columbia, which would result in building up the shingle industry in British Columbia to the detriment of that industry in the State of Washington. As a matter of fact, a number of Americans have already purchased tracts of timber in British Columbia, thus fortifying themselves in the event that shingles are placed on the free list. One shingle operator, who is now employing 130 men in the State of Washington, and who is known as one of the oldest and most substantial shingle operators in the State, personally stated that if the duty was removed from shingles that he would immediately proceed to the erection of a mill in British Columbia, where he would manufacture a tract of timber that he recently purchased. His argument was that the Canadian railroads gave 5 cents a hundred pounds better rate to eastern markets than the American rates, which means the benefit of 8 to 10 cents per thousand. He further stated that the fact that the bolt camp men of British Columbia were receiving less money for their labor was one of the factors that made him decide on this change of location.

Further, he took the position that British Columbia, with her unlimited shore line, bestudded with the best quality of cedar, and accessible ocean shipping facilities, offered an excellent opportunity to the enterprising shingle manufacturer when the Panama Canal opens. In foreign ships, with cheaper freight rates than the American, he could, and would, ship his shingles to all Pacific and Atlantic coast cities, with all the advantages of the open market. Hence it would seem that the anticipated improvement in the shingle industry of the Washington mills

caused by the opening of the Panama Canal may not materialize, and our manufacturers will find the competition above referred to.

The shingle industry is a distinct industry from the lumber industry. A man of comparatively small capital can engage in the shingle industry and use his capital in connection with his own labor, and in that way get a good living wage; while the combination lumber and shingle mill takes much capital and, as a matter of fact, those plants are in the hands of men of large means. Many of these lumber manufacturers have large tracts of timber land on the Canadian side, and they offer no opposition to free lumber and shingles. They are in a position where it will do them little injury, but the man with just sufficient means to engage in the shingle industry will be forced to stand the brunt of this free-trade experience. While it may seem to those having the making of this bill in hand that the shingle industry is an item of small importance in the general industrial field, yet it would seem that 15,000 workmen, supporting from 50,000 to 75,000 people, is an item worth while and worthy of the consideration of the men who have the affairs of this Government in hand.

From the standpoint of conservation there may be some argument why lumber should be put on the free list, but there is certainly no argument advocating free shingles that can be sustained. In the early history of the lumber and shingle industry in the State of Washington, the finest quality of cedar was manufactured into shingles, as is practically the case now in British Columbia, but of late years the logged-off lands from which the timber was cut years ago and from which the No. 1 timber was removed, to-day furnishes the raw material for the shingle mill. A few years ago this same material was rolled into heaps and burned in the process of land clearing. And, further, the refuse from the lumber mills which was discarded to the slab pile and the refuse burner is to-day manufactured into shingles, a by-product of the lumber business, thus at the present time making use of material that under less favorable conditions was necessarily wasted. A practical millman knows that it costs more to manufacture shingles from second and third grade material than it does from No. 1 material, and with the duty removed from shingles it is a question whether or not much of this material will not again be destroyed rather than compete with mills on the other side of the line that are cutting better grade material. There does not seem to be a single good reason why shingles should be put on the free list, and it appears to one who is familiar with the business that the Ways and Means Committee has overlooked the significance of the shingle industry.

You are removing the duty on shingles, bringing the American manufacturer into competition with the shingle manufacturer of British Columbia. Your action is entirely to the advantage of the foreign manufacturer, and you are asking and receiving nothing in return. You propose to put shingles on the free list, but on practically everything that the shingle manufacturer buys in the equipment and operation of his plant is a heavy duty.

Schedule C of the Underwood bill provides:

SCHEDULE C.—Metals, and manufactures of.

	Per cent ad valorem.
Earthenware, crockery, dishes.....	40
Boiler iron.....	15
Bands.....	12
Bands coated with zinc or tin.....	20
Mill shafting.....	10
Nails.....	10
Wire rope.....	30
Anvils.....	15
Blacksmith's hammers, wedges, tools.....	10
Bolts, butts, washers.....	15
Spiral nut locks and lock washers.....	35
Cast-iron pipe.....	12
Chains.....	20
Cutlery.....	25
Files and rasps.....	25
Rivets, studs, or steel points.....	20
Crosscut and mill saws.....	12
Wood screws.....	25
Locomotive wheels.....	25
Steam engines and locomotives.....	15

Foodstuffs that furnish his bolt and logging camps, in the main, are heavily taxed:

SCHEDULE G.—Agricultural products and provisions.

Cattle, 10 per cent ad valorem.
Horses and mules valued at \$200 or less, \$15 per head.
Horses and mules valued at more than \$200, 10 per cent ad valorem.
Sheep, 10 per cent ad valorem.
Barley, 15 cents per bushel of 48 pounds.
Barley, pearled, hulled, or patent, 1 cent per pound.
Macaroni, 1 cent per pound.
Oats, 10 cents per bushel of 32 pounds.
Rice, cleaned, 1 cent per pound.
Wheat, 10 cents per bushel.

Biscuits and bread, 25 per cent ad valorem.
 Butter and butter substitutes, 3 cents per pound.
 Cheese and substitutes, 20 per cent ad valorem.
 Beans, 25 cents per bushel of 60 pounds.
 Eggs, 2 cents per dozen.
 Hay, \$2 per ton.
 Peas, green or dried, in bulk, 15 cents per bushel of 60 pounds.
 Split peas, 25 cents per bushel of 60 pounds.
 Straw, 50 cents per ton.
 Vegetables, not heretofore mentioned, 15 per cent ad valorem.
 Dried fruits and berries, 1 cent per pound.

SCHEDULE N.—Sundries.

Harness, 20 per cent ad valorem.

Your economics are based on a strange principle, giving everything to the foreigner and receiving nothing in return. It would appear more reasonable to at least keep the duty on American forest products until such time as the Dominion of Canada removes her export duty, for it would be possible to get logs from British Columbia and from the Dominion of Canada to furnish the raw material for our mills; then we could still continue to operate our mills on this side of the line, and by so doing not only give employment to men now located in their respective localities, but give the mill owner an opportunity to receive the benefit of the money already invested in mill construction in our country. In this connection I quote from a letter received to-day:

If you want to put the hundreds of little shingle mills that give employment to thousands out of business take the tariff off of shingles. It is absolutely a question of living with us that we should be protected, and for at least 50 cents a thousand. We use timber that would be a complete waste were it not for this industry.

ROCKPORT MILL CO.,
 By GEO. C. LEMCKE, President.

This is characteristic of letters written by many operators, including P. S. Mendal, Custer, Wash.; M. W. Parish, Custer, Wash.; Kanaskat Lumber & Shingle Co., Tacoma, Wash.; Newcomb & McDaniels Shingle Co., Stanwood, Wash.; Douglas Fir Sales Co., Portland, Oreg.; Alex Polson, Hoquiam, Wash.; Anacortes Chamber of Commerce, Anacortes, Wash.; Rucker Bros., Everett, Wash.; High Point Mill Co., High Point, Wash.; Bertrain Shingle Co., Lynden, Wash.; Henry Carstens, Seattle; John McMahers Shingle Co., Seattle; Index-Galena Co., Index, Wash.; Buckeye Lumber Co., Seattle; Shingle Manufacturers' Association (representing 175 mills), Seattle; Pacific Coast Shippers' Association, Seattle; Woods Creek Mill Co., Monroe, Wash.; C. A. Blackman & Co., Everett, Wash.; Wilcox Shingle Co., Aberdeen, Wash.; Grays Harbor Shingle Co., Aberdeen, Wash.; East Hoquiam Shingle Co., Aberdeen, Wash.; Aberdeen Lumber & Shingle Co., Aberdeen, Wash.; Northwestern Lumber Co., Hoquiam, Wash.; Clough-Hartley Co., Everett, Wash.; Hoquiam Commercial Club, Hoquiam, Wash.; Cooperative Shingle Co., Bothell, Wash.; Everett Commercial Club, Everett, Wash.; Edmonds Mill Co., Edmonds, Wash.; Crown Lumber Co., Mukilteo, Wash.; A B C Shingle Co., Edmonds, Wash.; A C Mill Co., Edmonds, Wash.; Union Shingle Co., Edmonds, Wash.; Wasser-Mowatt Shingle Co., Edmonds, Wash.; Seattle Chamber of Commerce, Seattle; Seattle Commercial Club, Seattle; Coats Shingle Co.; Consolidated Lumber & Shingle Co., Bellingham, Wash.; the Atlas Lumber Co., Seattle; the Reliance Co., Seattle, Wash.

In conclusion I submit a copy of resolutions adopted by the International Shingle Weavers' Union of America, in convention at Olympia, Wash., January 4, 5, and 6, 1909:

Whereas during the past 10 years there has been a tariff of 30 cents per thousand on shingles imported by the United States;

Whereas during all this time the imports of Canadian shingles into the United States have steadily increased, have doubled in the last few years, and in the years 1907 and 1908 reached the large total of 8,000 carloads, through which the wage loss to the white workmen in the Washington shingle industry amounted to approximately \$1,000,000, or practically \$40,000 per month;

Whereas the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage earners in the Washington shingle industry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle mills, and who accept a very much lower wage compensation and a very much lower standard of living than can the all-white labor of the Washington shingle industry;

Whereas the white wage workers in the Washington shingle industry have better and higher conceptions of the industrial, social, hygienic, and moral well-being and, realizing the ideals of their race and Nation, have trained themselves to conform to a standard of living in accordance with American ideas of American civilization;

Whereas the increasing imports by the United States of Asiatic-made shingles of British Columbia constitute a menace to American institutions by driving white workmen out of the Washington shingle mills, depriving these workmen of the means to maintain themselves and families, thus lessening the amount of money available to farmers, merchants, and other business men in the United States;

Whereas the wage earners in the Washington shingle mills have been enforcedly idle nearly 12 months during the past 24 months;

Whereas they are, to a great extent, engaged in producing shingles from fallen, fire-blackened, and other cedar that would be otherwise wasted and be a dead loss to the State and to the Nation;

Whereas the first consideration of the United States Government should be the welfare of its own citizens; and

Whereas it is understood that some misinformed people now advocate the reduction of the present tariff of 30 cents per thousand, which is even now an inadequate protection against Asiatic shingles made in British Columbia; wherefore, for these reasons we respectfully and firmly protest against any reduction of the present tariff, and we do earnestly and strongly urge all legislatures to save the industry and to protect our necessary wage interest by fixing an adequate protective tariff against Asiatic-made shingles, a tariff of preferably 50 cents per thousand;

Voted, That a copy of these resolutions be sent to each member of the Washington State Legislature, with the request that they memorialize Congress to grant the Washington shingle industry an adequate protective tariff of preferably 50 cents per thousand;

Voted, That the Ways and Means Committee of the House of Representatives and United States Congressmen from shingle-manufacturing districts covered by the International Shingle Weavers' Union of America be furnished with copies of these general resolutions.

J. C. BROWN,

President International Shingle Weavers' Union of America.

Mr. UNDERWOOD. I yield to the gentleman from Missouri [Mr. RUSSELL].

The CHAIRMAN. The gentleman from Missouri [Mr. RUSSELL] is recognized. [Applause on the Democratic side.]

Mr. RUSSELL. Mr. Chairman, I was very deeply interested in the address of my standpoint friend from Pennsylvania [Mr. MOORE]. It was to me a new performance. I have heard that on some former occasion some Member of the House procured another Member to ask him questions in order to emphasize his speech, but this is the first time I have ever observed that a Member of the House was driven to the necessity of obtaining the services of the reading clerk to ask him questions in order to emphasize his speech. After all, it may be a convenient practice, because it seems to me that a man can better answer questions that he himself writes than he could answer questions asked by some one on the outside. [Laughter and applause on the Democratic side.]

I am glad, however, to see my Republican friend go in partnership with a Democratic reading clerk for any purpose. [Laughter.] There is but one objection I can find to that performance, and that is that, as the boys back in my district would say, I do not think he "toted fair." I believe he ought to have "swapped work" with the reading clerk and permitted him to answer some questions. Knowing the reading clerk (H. Martin Williams), as I do, I believe if he had done that the speech would have been a much better speech. [Laughter on the Democratic side.]

I have not made any arrangements with anyone to ask me questions, and I presume that there will be none propounded, so I will content myself with making my own speech unaided.

Mr. Chairman, I realize, as everyone must realize, that the Democratic Party is to-day on trial before the American people as judges, and for the present that party must stand or fall by the verdict rendered.

This bill was prepared by a Democratic committee, revised and approved by a Democratic caucus, will be passed by a Democratic Congress, and signed by a Democratic President. It is an honest and a consistent effort of the Democratic Representatives to fulfill the party's pledges made to the people in the platform upon which a Democratic President and this Democratic House were elected. Personally I did not favor some of the rates fixed, but I believe it is a good bill as a whole, and that it will be beneficial to the country at large. It is a party measure, and as a Democrat I shall vote for it, and am willing to politically sink or swim, survive or perish, as the fortunes of my party shall decree.

There is no question but that a great majority of the people of this country have come to realize that the tariff taxes now imposed, especially upon the necessities of life, are too high, and that the burdens now borne by the consuming masses are too great. All political parties admit that fact, and all of them have promised to give relief.

The Republican Party in its platform of 1908, in response to a growing demand, even in its own ranks, promised, if successful in that contest, a speedy revision of the tariff. True, the words of the platform were not clear as to the character of the promised revision, but Mr. Taft, the candidate for the Presidency upon that platform and the authoritative spokesman of his party, construed this declaration to mean a substantial downward revision. No intelligent man ever believed that the leaders of the Republican Party intended to have the voters of the country believe that an upward revision was contemplated.

President Taft, after his election, in good faith, as I believe, called Congress together in extraordinary session to carry out the promises of his party. That Congress did pass the so-called Payne-Aldrich law, but instead of revising the tariff downward they made the monumental mistake of revising it upward, thereby violating the promises its platform and its

leaders had made to the country, deceiving the voters, and betraying the people who trusted them.

In my opinion, if the Republicans in the Sixty-first Congress had been true to the people and faithful to their promises, Mr. Taft would have had no opposition in his own party for renomination, and would have been reelected and in the White House to-day.

The Democratic Party has for many years contended that the tariff taxes were too high, especially upon the necessities of life, and promised in its platform of last year that, if successful, they would favor a prompt revision and a reduction of import duties, and thereby lessen the burdens of the toiling masses. In obedience to that well-known party principle, and in fulfillment of our promises made to the people in that campaign, we are here in extraordinary session, called by President Wilson, to redeem our pledges. We should be, and we will be, true to our constituencies and true to the promises we made to them. [Applause on the Democratic side.]

It has always been, and now is, a difficult problem to revise and to rearrange the tariff duties upon the 4,000 articles embraced within a general tariff law, as each section and each district represented in this House is anxious to be fairly and justly treated in the reductions made. Of course all Democrats agree, as I do, to the time-honored principle of our party, that all tariff taxes should be levied for revenue only, and not for protection.

Speaking for myself, I may say that I believe that this Government has no right, and ought not to be permitted under the Constitution, to use the taxing power for any other purpose than that of raising revenue to pay the necessary expenses of the Government, and I dare say the framers of the organic law never intended that it should be used for any other purpose. This position is and has long been a cardinal doctrine of the Democratic faith. Still, we know that a tax levied, even for revenue only, when placed upon articles from foreign countries that are imported, and that come into competition with similar articles produced here necessarily carries some incidental protection, and, naturally, every section desires, in the readjustment of rates of duty, to get its fair share of the incidental benefits that must follow the imposition of taxes upon competitive articles from abroad. This bill, I believe, to be, as a whole, reasonable and fair and one that will do but little, if any, injustice to any section of the country, but one that will be of great benefit to the country at large, and especially to the toiling millions, whose only investment is the labor of their hands and who must buy all of their food and clothing.

This bill is not as I would have written it, and doubtless no man in this House would have written it exactly as it is. The able chairman of the Ways and Means Committee, Mr. UNDERWOOD, has frankly stated that it is not as he would have written it, but I think that we who are Democrats recognize that in preparing the bill the committee has made an honest effort to carry out the principle for which our party stands, and an honest endeavor to fulfill our promises to the people.

The Democratic Party has always favored lower taxes upon the necessities of life that are required for the comfort, the welfare, and the pleasure of the inmates of our American homes, and have contended that the highest taxes should be placed upon the luxuries of life to be borne by the wealthy, who are better able to bear them. That principle has been followed in this bill and I believe will be approved by the country.

I understand that there has been some alarm felt and expressed because of reductions of tariff duties upon some farm products which are largely produced in Missouri and in the district that I represent, and I desire to speak briefly of some of the provisions of the bill, especially from the viewpoint of my constituents.

The people of that district are as intelligent, industrious, and patriotic as any to be found in this Republic, and as their Representative I shall try to now and at all times look at proposed legislation from their standpoint, as well as to consider the general good of the whole country.

Lumber, corn, meat, hogs, and potatoes are by this bill placed upon the free list, but I am convinced that no country can produce any of these, pay the freight, and sell them in any market in which we sell in competition with us. We export more of these commodities than we import, and so long as we are large exporters of these products the home producer need have little fear of injurious competition from abroad.

The lumber interests in my district are fast disappearing, as our forests have been mostly denuded and timber is rapidly disappearing; but even if this bill should cheapen the price the home builder, the home owner, and the farmers who must buy lumber and building materials far outnumber those who manufacture and sell.

Corn and hogs are not imported into this country now and can not be profitably imported and sold here in competition with the home producers. No protection upon them is necessary, and even if a tariff should be imposed it would be without effect.

Potatoes are not grown to any great extent in my district; only about 100,000 bushels are produced annually, which is not enough to supply the demand for home consumption. The price will probably not be materially affected in Missouri; but even if reduced, it will be to my constituents as a whole not an injury but a benefit.

Meat is placed upon the free list, but the farmers and stock raisers of my district do not sell meat but do sell the live stock. The price of meat in recent years has been relatively too high as compared with the price of cattle and hogs by reason of the packers in the United States being in a combination and the prices fixed and controlled by the Beef Trust. It is hoped and believed that by placing meat upon the free list that it will give some relief to the people of the country, who have been compelled to pay exorbitant prices in the past, without any reference to the price paid to the stock raiser for his cattle and without any benefit resulting to him.

A tax of 10 per cent ad valorem is placed upon cattle, which will be a fair protection to the stock raisers of my district and the entire country against competition from Canada, Mexico, or any of the other foreign countries.

When the reciprocity bill was considered two years ago I made a speech in which I gave as my opinion that even with free trade Canada could not produce wheat, pay the freight to our markets, and sell in competition with our farmers. I believed this statement to be true at that time, and I believe it to be true to-day. But this bill does not place wheat upon the free list, but imposes a duty of 10 cents per bushel upon all importations, and certainly no well-informed man will claim that with a tax of 10 cents per bushel upon wheat that the farmers of Canada or of any other nation on earth can pay that tax for the privilege of bringing their wheat into this country, and pay freight charges in addition, and compete with the wheat producers in any section of this country, and especially in an interior State like Missouri, so far from the Canadian border. The tax of 10 cents per bushel carried in this bill is just as much protection to the farmers of Missouri as the present rate of 25 cents per bushel would be.

There is no industry in the district that I represent that will, in my opinion, be perceptibly affected by the enactment of this bill, but even if, as a result of its enactment, a slight reduction should follow in the prices of some of our products—including lumber, corn, wheat, cattle, meat, and potatoes—the answer is, there are many more people, even in that district, who buy and consume lumber, bread, meat, and potatoes than there are who produce them, and the producers of these products will not lament the fact if the toiling masses should get some relief against the present high cost of living. But even if there should prove to be some reduction in the price of some of the products mentioned, there will be a corresponding benefit to the producers of these commodities in the reduced price of things that they must buy that will more than offset any loss sustained.

This bill places upon the free list and will, we believe, reduce the price of all farm implements, salt, sugar, boots, shoes, and clothing that the farmers buy, which I believe will more than compensate them for any reduction in the prices of the commodities that they produce.

The income-tax feature of this bill is one that has been advocated by the Democratic Party for many years, is approved by the country, and is generally conceded to be equitable and just. We are sometimes told that no punishment should be inflicted upon a man for his thrift. This law is not proposed as a punishment, but for the purpose of equitably distributing the burdens of taxation.

I have a profound admiration for a man who by his industry, his intelligence, and his management honestly accumulates great wealth, but I have a genuine sympathy for the more unfortunate man, who is often as honest and industrious as his prosperous brother, but who, without his fault, by mismanagement or otherwise, has utterly failed in a financial way, and who is not only poor and homeless but compelled to toil for his daily bread.

Paying taxes is not a delightful exercise at best, and no man really enjoys that performance. Some writer of doggerel verse has said:

No one gets all he wants,
And none gets what he axes;
But if he did he'd want the earth
And then growl about the taxes.

I once heard a very important lawsuit argued in the supreme court of my State. The purpose of the suit was to break the will of a testator upon the ground of his mental incapacity to make

it. As evidence to sustain this contention it was shown that he in his lifetime used every art known in his day to dodge the payment of taxes. Such a judicial finding as that would reflect seriously upon the sanity of many of our wealthy men and so-called captains of finance of this age of the world.

Taxes are a burden that must be borne by the public in some way. The theory of paying taxes is that we pay for the protection to life and property furnished and guaranteed by the law. Therefore the more property we have to protect the more benefit we get from the law and the more taxes we should pay. This principle is recognized and followed in school districts, cities, counties, and States. In all of these smaller subdivisions of government we pay taxes in proportion to the assessed value of our property; but under the present system no man pays taxes upon his wealth, his lands, his bonds, or his income for the support of the Government, but all taxes for that purpose have been paid by the consumers of the country when they purchased the taxed articles. We have paid taxes, not upon what we had, not according to the benefits received, not according to our ability to pay, but the wealthy have paid taxes according to the amount and value of the taxed goods they elected to buy, and the poor have paid taxes according to the value of the necessities of life they were compelled to buy. Hence it may be logically asserted that the poor man with a large family has paid more taxes to support the Government than the wealthy man with a small family.

The Democratic Party has long contended that the present system of taxation, standing alone, is neither equitable nor just, and has advocated the enactment of an income-tax law. Such a law was passed by Congress during Cleveland's administration, but was declared by the Supreme Court to be unconstitutional. Since that time a constitutional amendment has been submitted by Congress and ratified by three-fourths of the States authorizing the enactment of such a law, and now at the first opportunity offered this Democratic Congress proposes to enact this bill to carry out the policy that the Democratic Party has long favored and advocated.

The proposed law exempts \$4,000 to every individual or family and provides for a tax of 1 per cent upon all incomes in excess of \$4,000 per annum up to \$20,000, with an increasing rate of tax upon incomes up to \$100,000 per annum, and upon incomes in excess of that amount the rate is to be 4 per cent.

This tax is, to my mind, the fairest tax ever levied against mortal man, as it places a small part of the expenses of the Government upon the wealth of the country that is best able to pay it and who enjoy the greatest benefits under it. Under this law it is estimated that \$70,000,000 per annum in revenue will be realized annually, which will to that extent lessen the taxes now being paid upon other commodities and has made it possible for this Congress in this bill to reduce the tariff taxes upon the necessities of life that are now used in every home of the land.

This is a good bill and one that I believe to be for the benefit of the whole country and especially for the toiling masses. It is a Democratic bill prepared by Democratic hands proposing to carry out Democratic policies and attempting in good faith to fulfill our promises to our Democratic constituencies. It should and will be promptly passed by this Democratic House. [Loud applause on the Democratic side.]

Mr. HELVERING. Mr. Chairman, at the outset I wish to congratulate the Ways and Means Committee and the Democratic Party that we have before us a measure which lifts some of the burdens off of the shoulders of the masses and lets the wealth of the Nation carry a part of its legitimate load—a bill which lifts the tax from the breakfast and dinner table of the unfortunate poor and places it upon the plethoric income of the more fortunate rich.

And right here I want to emphasize what is a fact. I am in favor of this bill not because I am bound by any caucus but for the reason that in the main it represents the sentiment of the people of my State and of my district. My people are dependent upon the products of the soil. Moderate competencies are with them the rule, while swollen fortunes are practically unknown, and they have never been here knocking upon the doors of Congress asking for special favors. For years they have been carrying an unjust portion of the burden of taxation in that everything they had to buy was purchased in a restricted market and at enhanced prices, while everything they had to sell was regulated by the prices in the world's market, and I am here to use my vote and my voice to the end that this burden shall now be more equitably distributed.

Last year I went before my people and advocated free sugar; also announced my full approval of the terms of the Farmers' Free-List Bill passed by the lower House of the Sixty-second Congress. I explained why I was for free meats, free sugar,

free farming implements, lumber, and other products. My position was indorsed, and therefore I feel that when my voice is raised in favor of this bill I am but voicing the sentiments of my people.

My State raises sugar beets, and we also have a beet-sugar factory. But when I learned that sugar was shipped from California and Colorado points, the freight rate absorbed by the manufacturer and the product sold in the eastern market at a price lower than that charged the consumer at the point where the sugar was manufactured, it was clear to my mind that an unjust tribute was being exacted. Furthermore, when the testimony was given that the Union Sugar Co. of California, last year paid 100 per cent profit and that on January 6 Colorado beet sugar sold in New York for 4.60 and in Denver for 5.20, I could not help but feel that the Denver consumer was not getting a fair deal.

After evidence had been brought out to show that Colorado beet sugar had been shipped as far east as Pittsburgh, freight to the amount of 50 cents per hundred paid upon it, and then was sold cheaper than it was sold to the Colorado consumer, Mr. F. B. Case, of California, a beet-sugar manufacturer, explained this process, and his explanation is of such interest that I quote it. You will find it on page 2431 of the Tariff Hearings. Mr. Case said:

Our surplus product must find its market in some consuming community. We therefore ship the sugar which is not consumed at home to the Missouri River, the Mississippi River, Chicago, and as far east as Cincinnati and Pittsburgh. To ship our sugar this long distance requires payment of an excessive freight rate. Were we not permitted to receive more for our sugars at home than we receive in Cincinnati and Pittsburgh we would go out of business entirely.

A more indefensible proposition than this was never advanced. The admission that the home consumer, adjacent to the factory, has no advantage in the facility with which the product is delivered to him and has to pay more than has the consumer 2,000 miles away is a frank confession of pernicious looting, which I believe will be made impossible by this new tariff law.

No one for one moment believes that Colorado or California sugar is sold in the East at a loss. Therefore it inevitably follows that there is a margin of profit in the freight paid and in the difference in price at which the product is sold at home and in the East which would provide ample margin for reduction in selling price to meet new tariff conditions without affecting the price paid the farmer for his beets. Swollen profits would be diminished, but no honest industry would be injured.

A few months ago there came to my desk a circular issued by a banking and brokerage firm of classic Boston, in which a plea was made for a "safe and sane" revision of the tariff. It was pointed out that wonderful prosperity had followed in the wake of the protective policy, and while here and there might be rates which needed a slight adjustment, nevertheless it would be well to not make any radical reductions—it would be better to "let well enough alone."

Naturally I was interested in learning who were the parties who did not want to be disturbed, and in turning over the pages of the literature sent to me I find that the brokerage firm has listed a number of stocks for sale, and the statistics which I propose to give are those quoted by this firm of bankers and brokers.

First, let us take the Draper Co., of Hopedale, Mass., manufacturers of cotton machinery. And in passing I would like to call the attention of our Massachusetts friend, who so much dreads the effect of the new tariff rates, to the fact that even in these prosperous times of Payne-Aldrichism there are serious labor troubles at the Draper plant at Hopedale, just as there were in Lawrence but a short time ago.

And speaking of the situation at Hopedale, I want to call your attention to the following item from the Washington Herald of this morning, which would go to show that the operator who seeks a part of the benefit of Payne-Aldrichism receives bullets as his dole:

STRIKER KILLED IN FIGHT WITH POLICE.

HOPEDALE, MASS., April 24, 1913.

Emilio Dacchlocchia, strike picket, was shot and killed to-day during a battle between the police and the Industrial Workers of the World strikers, a half mile from the Draper mills. The strikers claimed that Dacchlocchia was shot by a policeman. The police refused to discuss the shooting.

The operatives fail to see how any of the blessings of high protection find their way into their dinner buckets.

The Draper Co.—

Says the circular—

has had a remarkable record. Its distribution during the past 12 years—not including a stock dividend of 50 per cent in 1902—has ranged from 8 to 30 per cent. In the 12 years from 1901 to 1912, inclusive, the company has paid a total of 184 per cent per share, or the equivalent of 15.33 per cent per annum, not including the 50 per cent stock dividend.

No wonder they want "safe and sane" revision which will not disturb their opportunity to make unjust earnings.

Next we have the Queensbury Mills, of Worcester, Mass., manufacturing mohairs, alpaca luster yarn, mohair serges, and alpaca linings. The company has only been in business for 13 years, but, the brokers inform us, the shares of par value of \$100 have an actual value of \$343, and—we again quote literally—

The Greenwood Mills, which was taken over by the Queensbury in 1907, has, since its merger, averaged an annual income of 12 per cent on its capitalization. During this same period the average annual net earnings of the old Queensbury Mills alone have exceeded by several times the dividend requirements of the preferred stock of the new corporation.

Then we have the Bates Manufacturing Co., of Lewiston, Me. It is capitalized at \$1,200,000 and has a surplus of \$2,514,831. Annual dividend rate, 10 per cent with occasional extras. Last year its net earnings were 33 per cent of the outstanding stock, and the average dividend for the last eight years was 18.37 per cent. They manufacture quilts, gingham, damask tablecloths, seersuckers, and dress goods.

The Farr Alpaca Co., of Holyoke, Mass., has paid 24 per cent per annum during the last three years. In 1909 it paid 40 per cent in cash and 100 per cent in stock.

And while we have all been bombarded in the past few months by the makers of hats, who implored us to keep on a heavy duty for protection needed, we find that the John B. Stetson Co. is doing quite well. Here is the dividend record: 1902, 17 per cent; 1903, 20 per cent; 1904, 20 per cent; 1905, 25 per cent; 1906, 25 per cent; 1907, 25 per cent; 1908, 50 per cent; 1909, 25 per cent; 1910, 50 per cent; 1911, 25 per cent; 1912, 50 per cent. An average of 30.2 per cent for the last 11 years, or for every dollar originally invested the plant has paid back \$3.32 in the past 11 years.

As to the Dartmouth Manufacturing Co., of New Bedford, Mass., the brokers inform us that "the dividends for the past three years have been 16 per cent per annum. In 1909 the company paid 13 per cent, together with a stock dividend of 100 per cent, and in the two preceding years the distribution has been 66 per cent for each year." This company makes fine cotton goods.

The Berkshire Cotton Manufacturing Co. averaged 20 per cent per annum during the past three years.

The Singer Manufacturing Co., handling over 80 per cent of the world's output of sewing machines, is to be affected by the new tariff legislation, but it probably will survive the shock, as we find that it has declared two stock dividends since 1900, one of 200 per cent and one of 100 per cent, and the cash dividends range from 7 to 40 per cent.

It is no wonder that these beneficiaries of an unjust system desire to be left alone.

I remember in one of my reading books in school in the old days that there was a poem in regard to a vindictive beggar who sat at the roadside and threw a stick or a stone at each passer-by who did not contribute to his earnings. When remonstrated with he assumed an air of injured innocence and asserted that "all he asked was to be left alone." So it seems to be with these beneficiaries of special privilege. They have swatted us right and left for lo, these many years, and now, when it happens that we are in a position to demand fair play, they assure us that "they are quite content, and all they ask is to be left alone."

And now I want to say a few words to our friends on the other side. If you were one-half as solicitous of the farmer when in power as you are when out of it, we would have been much better off. For 44 years you had the power, and during that time what has been done for the farmers whose votes you are seeking now? You have seen where the farmers produced crops which cost the consumers \$13,000,000,000, and yet the farmers received but \$6,000,000,000 of that amount. It was not until the last session of Congress that any effective action was taken to remedy this condition, and with the coming of the new division of marketing we can see a ray of hope.

Again, you have seen the farmer paying 7, 8, and even 10 per cent for the money needed to develop his little property while his French competitor paid but 4.3 per cent and the other Continental farmers faring equally well, and what have you done about it? It remained for us to reach this day before a start was made to the end that we can establish a system of agricultural credits and secure needed relief. Under a fake system of benefits accruing from protection you have occasionally taken a few sheets of paper from off of the burden carried by the agricultural interests, and at the same time you have dumped into the farmers' load a few leaden weights in the form of swollen profits to accrue to the manufacturers on the things that the farmers had to buy.

I have known what it is to farm, and speaking as the representative of an agricultural district I say to you that what we want is performance and not promise. We have seen immense fortunes built up for the few, but we have also seen the many toiling in order to secure even a bare living, and while we begrudge to no one the benefits gained by thrift and industry, we do protest against a system which concentrates these benefits instead of distributing them.

Again, on that side I have heard occasional reference made to the "bread lines" and the "soup houses," which are predicted by you to result as a consequence of the passage of this legislation. Let me tell you, gentlemen, that but once in Kansas have I seen the "soup house" and the "bread line," and that was on the 19th day of January, 1912, when a Democratic mayor of the Republican capital city had to dig down in his jeans to pay for food to relieve the hunger of the poor unfortunates who had failed to find a full dinner pail under the Payne-Aldrich tariff.

In conclusion I wish to state that I am for this bill because I believe it carries out our platform pledges—it is an unquestioned revision downward.

I am for it because it will ultimately lead to lower prices to the consumer and cheapen the cost of living.

I am for it because it will impel our manufacturers to become more efficient and progressive, and will thus open up to us the markets of the world.

And I am for it because it is a real step toward fair trade, and with it in operation the doors of opportunity will be thrown open to the many while special privilege is curtailed of power and is compelled to carry a due share of the national burden which it has so long avoided. [Loud applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Arkansas [Mr. GOODWIN].

Mr. GOODWIN of Arkansas. Mr. Chairman, in the concluding chapter of the ninth or last volume of Dr. Riddpath's great History of the World the author, after reviewing the struggles and achievements of men and the rise and fall of nations, with the poise and justice of the historian, lays at the doorway of the human race a most terrible indictment, as touching the greed and the avarice of man. Says Dr. Riddpath:

The first and most general truth in history is that men ought to be free. If happiness is the end of the human race, then freedom is its condition. And this freedom is not to be a kind of half escape from thralldom and tyranny, but ample and absolute. The emancipation in order to be emancipation at all must be complete. To the historian it must ever appear strange that men have been so distrustful of this central principle in the philosophy of human history. It is an astonishing fact that the major part of the energies of mankind have been expended in precisely the opposite way—in the enslavement rather than the liberation of the race. Every generation has sat like a stupid image of Buddha on the breast of its own aspirations, and they who have struggled to break their own and the fetters of their fellow men have been regarded and treated as the common enemies of human peace and happiness. On the contrary, they have been saviors and benefactors of whom the world has not been worthy. The greatest fallacy with which the human intellect has ever been beguiled is that the present—whatever age may be called the present—has conceded to men all the freedom which they are fit to enjoy. On the contrary, no age has done so. Every age has been a Czar, and every reformer is threatened with Siberia.

Thus we see that the progress, the evolution, and the partial liberation of the human race from the bondage and the enslavement of those in authority have been accomplished not by the will but over the protest of those who would keep their fellows in servitude.

Typical of this repression of the ambitions and of the aspirations of men has been the smothering of the people in their effort to lift themselves from the slough of ignorance to the table-lands of education and enlightenment, but no more so than the system of heavy taxation that ever stifles and thwarts them in their upward strivings.

It will be impossible, Mr. Chairman, within the short time allotted to me in this discussion to more than hurriedly review the history of American tariff enactments, or to even discuss in detail the various schedules of the pending bill. Therefore, I content myself with reviewing merely isolated contentions of tariff barons in exacting from the masses of the people the heavy toll imposed upon them and the dire consequences that follow such exactions upon the individuals who pay the toll, as well as arresting the development of a nation's greatness.

In all probability it is well within the memory of the youngest Member upon this floor when the Republican Party claimed first that the tariff was not a tax, but when driven to the wall upon this absurd contention they finally admitted that while it was a tax, yet as an excuse for its imposition they said that the foreigner and not the American paid the tax.

Now, let us analyze the first contention, absurd even as that is. If the tariff is not a tax, it can neither benefit the manufacturer nor hurt the consumer. Therefore, if no one is affected

by the tax, why impose it? Why legislate tariff acts if the tariff is not a tax? Why encumber the books with tariff enactments? Why keep a lobby constantly in Washington at great expense if the tariff is not a tax and no one is to profit thereby?

But the high protectionists finally admitting that the tariff is a tax, and asserting that the foreigner pays the tax as a justification for its existence, let us analyze in the second place that absurdity.

Surely, if a tax and the foreigner pays it, this should not affect the American consumer, as the foreigner is not only benevolent, but becomes a philanthropist and lifts the tax from the American consumer and pays it, that the American manufacturer may thrive and prosper.

The late James G. Blaine, as I now recall, was one of the first high priests of protection to admit that the American consumer paid the tax. Upon his return to the United States from Florence, Italy, where he had been sojourning for several months in quest of health, he entered vigorously into the presidential campaign of 1888 in behalf of Mr. Harrison, and gave utterance to this strange and paradoxical statement: That while the tariff was a tax and the American and not the foreigner paid it, yet the tax was so deftly collected that the American consumer did not feel it; thus giving evidence that the Republican Party was not only the greatest aggregation of confidence men in the country, but by a system of shoplifting and legerdemain had become the most successful freebooters and kleptomaniacs that ever infested a civilized community. [Applause on the Democratic side.] Now, ordinarily, we might not advert and give time to such an absurd and staggering statement as this, were it not for the fact that Mr. Blaine at that time and for years had been the most stupendous figure and the popular idol of his party. But let us analyze even this statement, and see if it will bear the light of reason.

A tax paid by the American, and yet so deftly collected that the American could not feel it when paid. How strange! How utterly strange!

Suppose that Mr. Blaine, upon leaving his hotel in Italy, had on his person \$500 in money, which amount was only sufficient to liquidate his hotel bill and to buy his passage upon the boat to his American home, and yet before the payment of his hotel bill and the purchase of his ticket, some pickpocket chanced along and lifted the purse of the Plumed Knight so deftly that this great Republican did not feel it at the time; but I venture to assert that when the time came to pay his bill and to buy his ticket he would have been short of the wherewithal to meet his obligation, whether the pickpocket was either deft or crude in filching from him the coin of the realm.

But another great Republican statesman later gave utterance to a similar and no less anomalous statement. Mr. McKenna, a Republican Representative from California, and now a Justice of the Supreme Court of the United States, at the first session of the Fifty-first Congress, and at page 4992 of the RECORD, while discussing the McKinley bill, used this language:

The important thing is not that the tariff is a burden on the individual.

And, consistent with all high protectionists, the tariff has never been a burden to the individual nor to the poor. Continuing, Mr. McKenna says:

It is not a burden on him, not because it is indirect, but because he does not feel it, or if so, he feels it as the horse feels his rider, not burdened by him, but encouraged by him and animated to swifter flight and to victory in the race.

This great statesman and jurist, whom we all honor for his much learning, says that the important thing about the tariff is not that it is a burden upon the unfortunate man who has the tax to pay, and affirms that it is not a burden on him not because he says it is indirect in its collection, but because the Government employs its subtle hands as a kleptomaniac and takes the money not openly and fairly and squarely by presenting a bill of particulars, nor collects it even as decently as the highwayman who lies in ambush in the dark of the night, sandbags the wayfarer, and robs him of his purse.

The Democratic Party maintains, sir, that no duties levied upon importations are warranted by the Constitution, except for the purpose of carrying on the functions of government economically administered. Mr. Cooley, in his Constitutional Limitations, says:

A tax on imports, the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacture, may well be questioned as being merely colorable, and therefore not warranted by constitutional principles.

But once the thin edge of the wedge of high protectionism having entered into the body of taxation, it has been constantly driven to its very head by those who sought and who have become its beneficiaries.

The heavy expenses growing out of the Civil War made it necessary—

For the establishment of heavy internal-revenue taxation, and along with it the imposition of correspondingly heavy customs duties, primarily designed to place domestic producers upon a basis of equality with foreign producers, who would otherwise have had the advantage owing to the burden of domestic taxation under which the home producers were laboring—

Says the report on the present bill.

So this was the excuse, and justifiably so under the peculiar circumstances, for the imposition of tariff duties. But the Civil War closed nearly a half century ago and the burdens of taxation have been increasing with the years, while American energy and American opportunity which, would otherwise conquer the world commercially, have been stifled and repressed with the resultant that the consumers have paid exorbitant prices for manufactured articles and American employment has been limited and restricted. Surely it is now high time that the war taxes of 50 years ago should be lopped off and that the handcuffs that bind American prowess should be broken.

The land was doubly taxed we thought,
To carry on the war;
Now war to a period has been brought,
Still more the taxes are.
Strange conduct this, all must allow;
Hush! Let your murmurs cease,
We pay the double taxes now
To carry on the peace.

[Applause on the Democratic side.]

Perhaps the tyranny of unnecessary taxation has never been more concretely expressed than in the opinion delivered by Chief Justice Marshall in the case of *McCulloch against State of Maryland* (Wheaton's Reports IV, p. 327), when he said:

An unlimited power to tax involves necessarily a power to destroy, because there is a limit beyond which no institution and no property can bear taxation.

And again this maxim of the law is made as tersely, perhaps, by Justice Miller (U. S. Sup. Ct. in *Loan Assn. v. Topeka*, 20 Wallace, 657). This distinguished jurist says:

To lay with one hand the power of the Government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation; it is a decree under legislative forms.

So we have, Mr. Chairman, these two startling indictments made by the Supreme Court of the United States and laid at the very doorway of the Republican Party, and yet in the face of this indictment and with the protests that have been raised by an impatient and groaning tax-burdened people the Republican Party would continue to raise all taxes, perpetuating under the guise of law a system of robbery by exploiting the people's substance. [Applause on the Democratic side.]

In vain we call old notions fudge,
And bend our conscience to our dealing,
The Ten Commandments will not budge,
And stealing will continue stealing.

[Applause on the Democratic side.]

Perhaps there has never been a greater protectionist than the late Charles Henry Carey, who upon one occasion said that he verily wished that the ocean were a flame of fire, in order, I suppose, that the ships which sail from this land to that, and which act as it were like the "shuttles of the loom, weaving the web of concord among the nations," might be consumed upon a sea of conflagration. And yet we have in this House today not a few Members who in a measure indorse the sentiments of Mr. Carey. The venerable gentleman from Michigan [Mr. FORDNEY], during the tariff debate two years ago, said from his place upon this floor that the tariff could never get too high for him.

The present system is not only archaic and obsolete, if we are to set our faces toward the rising and not toward the setting sun, but is out of harmony with all true progress of the day.

One of the greatest fights that was ever witnessed in the British Parliament was the struggle to overcome and repeal the corn laws, which were made especially for British aristocratic landlords, and with the repeal of the corn laws English tariff restrictions were generally modified and England at once leaped forward, and by a system of freer trade relations conquered the world commercially.

The recent efforts of the Chamberlains, the Bonar Laws, and the Arthur Balfours, backed by the wealth and the aristocracy of England, for the past 10 years have failed to turn back the hands of the clock of progress. The recent contest in behalf of tariff reform in England—tariff reform there meaning the opposite of what it does here and a return to higher tariff protection instead of reduction of tariff duties—has been unavailing, though led by some of the most resourceful and astute statesmen of the British Parliament. England has perhaps

never been so much agitated concerning her trade relations, and especially concerned about her safety from sanguinary and hostile attacks of her neighbor across the North Sea, as she is to-day. The tariff on imports with preferential duties to her over-sea dominions has been the watchword and slogan of the Unionist Party for quite a dozen years.

England has succeeded in linking her daughter lands to her as though with hoops of steel, and with all the clamor and the protestations on the part of the Unionist Party for a still closer attachment in the way of preferential and discriminating tariff duties between the mother country and her over-sea lands the English people will not forsake their one great principle that has made their country not only the invincible mistress of the high seas but carries her commerce triumphant into every port and makes the seas white with British sails.

So, Mr. Chairman, we must not be content with the markets we have, but we must break the shackles and manumit American commerce, and with American skill, American ingenuity, and American activity conquer the world commercially.

We are living in a strange and in an unusual time. There is no place for the laggard, and there must be no place for the pampered favorite who is clothed and housed by American protection. The world to-day thinks and speaks in continents and not in sections or segments. There are to-day but 8 great nations and less than 20 great surviving tongues of the many hundreds that murmur their babble here and there.

The sensory arteries of commerce and of trade are so acute, girdled by rail and circumventing the earth by electrical wires, that the smallest incident affecting a single community may be felt and grow into transcendent importance in the remotest part of the world. We cannot afford to let slip the opportunity to be in the vanguard of the great struggle that lies in the immediate beyond. Blessed by a country remote from the antagonisms and jealousies of European lands, already burdened beyond endurance with military and naval armaments, overcrowded populations, restricted opportunities, and narrowed states—isolated as we are, I say, with no neighboring jealousies or bickerings to confront and embarrass us, we should stand first in commercial supremacy upon the completion of the first half of the twentieth century.

Our great neighbor to our north, a field promising with the outlook of opportunity, is anxious to receive the products of our factories in the making of the Canadian Government pregnant with the possibilities of the years to come, while the Central and South American States, an empire infinitely larger than our own, yet await the magic touch of America's hand to open the door of hope and progress there. The great Panama Canal, the product of American money and American genius, at a cost to us of nearly \$500,000,000, is yet to prove a short cut and a gateway not only to the continent lying south of us, with illimitable opportunities, but affording us a quicker route to the Orient and to the industrial and commercial development of both Japan and China.

Our protective duties are many times higher than they were a century ago, while this country was yet an infant and in its swaddling clothes, for we have excluded imports, restricted competition, lessened efficiency, dulled our wits, and have produced monopolies, combinations, and trusts. If high protectionism is a panacea for our ills, its beneficence should be generally diffused and widespread; otherwise it can not justifiably have any place in our economic life.

Any great American system should stand for the virtues and not for the vices; for the extension of the horizon and not for the circumscribing of our visions; for the uplift and not the depression of the people, giving equality to all men alike and special privilege to no men; for the breaking of the shackles that bind the feet of progress; in short, that man himself, free, unhampered, with his face to the rising and not to the setting sun, may have as his conquest the wages of his energy and the fruit of his legitimate skill. This must have been the vision of the early patriots of this Republic in their dreams and concepts of a nation's greatness.

But has the present system produced such opportunity or given equality to all alike? Do not our industrial centers bear evidence of the pauperized myriads of human beings wrecked in health, depleted in stature, hopes blasted, ambitions thwarted, and over whose heads hang the lowering clouds instead of the sunlight of opportunity and equality? And what is the resultant? For every Dives, wrapped in luxury, living in his palace of marble and of gold, there lies at the rich man's gate a Lazarus, aye, hundreds of paupers who have been denied the crumbs that fall from the protectionist's table. [Applause on the Democratic side.]

Nothing but our richness of natural resources has prevented or delayed even worse conditions. It is not protected largess which the people want; they want only justice—simply free and

exact justice. The American laborer, both man and woman, has been used up by the highly protected "mill." They and their offspring have gone in the dividends, while their wrecked bodies have been thrown as so much refuse upon the culm bank or junk heap of American industry.

We have allowed our factories, after using up a generation of Americans, to swallow up the incoming immigrant "as if he were the soulless raw material of manufacture," while our hill-sides and valleys are untilled and the price of food products empties the market basket.

Our industrial system is out of joint; the premium on factory work must be taken off; the proper economic relation between manufacturing and other lines must be restored. We must encourage agriculture, let efficiency have a chance, break up the controlled relations of our systems of transportation with large manufacturing interests, and maintain the "open door" of industrial success.

Surely, Mr. Chairman, any great system of right should stand the test when the straightedge of justice is applied thereto. Somebody must suffer as a result of high discriminating duties. That the manufacturer prospers by it will not be denied; that the general public has its coffers depleted may not successfully be gainsaid. But the excuse has been that the wage earner, that the factory hand, if you please, has become the beneficiary of high protectionism and that he as well as the manufacturer must not enter into competition with the foreign manufacturer or with the foreign laboring man. The highest schedule in the Payne-Aldrich bill is the woolen schedule, known as Schedule K, of an average protection of 97 per cent upon the various grades of woolen manufactures.

Who shares this profit? How much is given to the man who labors for the woolen mills? The investigation held by a special committee of the last Congress reflects this fact: That at Lawrence, Mass., one of the great woolen centers of this country, where a jargon of 17 languages is heard, the average wage is \$7.30 per week, in this age of the high cost of living. And, moreover, sir, in this same community seven people and more were compelled to occupy and sleep in the same little room.

Who is receiving the immense profits arising from the tariff duties on woolen manufactures? The wearers of woolen clothes certainly pay the freight, and I deny that those who labor in the mills share a just proportion of the profits.

What was once a considerable part of our virile citizenship has passed through the "mill"; the result is manifest in the diminished birth rate, in the spread of tuberculosis, deformed bodies, child slavery, overcrowded, disease-breeding factory tenements, and many more of the untoward elements, Mr. Chairman, that should find no place in the growth and life of American citizenship.

The preservation of the race and of our institutions calls for heroic treatment in the amelioration of American factory conditions.

We have, sir, bondholders and masters who have kept in servitude from time to time the sons and daughters of Adam's race. We are reliably informed in a certain Great Book, which I commend to gentlemen on that side of the aisle, that for 40 years a great people seeking their liberty wandered in the Egyptian wilderness, but all this while were the slaves of the Pharaohs, who would not let the people go. This great Egyptian ruler was one of the most pronounced standpatters in all the history of the world. Plague and devastation too numerous to mention here were from time to time visited upon this monarch, but his heart was hard, his neck was stiff, and still he would not let the people go.

The Lord, patient and sometimes angry, continued to accompany the visitations of His wrath by physical evidence of His displeasure, but still, Pharaoh would not let the people go. And for more than 40 years the American people have been wandering in the morass of Republican misrule and Republican maladministration. Pride of the past blinded the party, greed led it astray, and unholy alliance with special privilege encompassed its defeat.

Promise after promise had been made that our economic life would be changed; that the door of hope would be opened; that the shackles would be broken and liberty and opportunity again given to those who toil and to those who spin, whose yoke is always heavy and whose burden is never light. But this party and those privileged interests that held the first mortgage upon the sponsors of that party were likewise stubborn, their necks were stiff, and they, too, would not let the people go. And I here declare that the greatest standpatters in the world's history, in my opinion, have been the Egyptian Pharaohs and the Republican priests of high protection. [Applause on the Democratic side.]

The facts of yesteryear are not to determine our course. The glories of Democracy in times past will not settle the economic

questions of the present, for as so admirably stated by our great President in his official message before the joint session of the Congress:

We are to deal with the facts of our own day, with the facts of no other, and to make laws which square with those facts.

The American voter has recorded his clear verdict between privilege and the people. Democracy is triumphant. Our plain duty is to record that verdict in the laws of the land by the prompt passage of this bill. Our President, standing, as it were, upon a mountain top viewing with impartial and patriotic eye the mistakes of the past, sounds the clarion note that a change must come if America and her institutions are to keep abreast with these stirring times, and with his face resolute to duty he bids us to follow. Shall there be one on the Democratic side who will not buckle on his armor, who will not gird about him the sword of truth, challenging the forces of privilege, the ramparts of protectionism, and the fortifications that have successfully baffled the patriots of the past? Our duty is clear. We will take the fort. We will rout the minions of privilege and of pelf and with courage undaunted we will not falter, but will restore this Government to the people, who will preserve its flag in time of war and whose "stricken love and confidence we can not survive." [Loud applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Texas [Mr. SUMNERS].

Mr. SUMNERS. Mr. Chairman, the chairman of the Ways and Means Committee [Mr. UNDERWOOD] and other members of that committee familiar with every detail of this bill have presented to us in their discussion an able and clear analysis thereof. I shall therefore not presume to discuss the bill as a whole. In the time which the Democratic leader has assigned to me I purpose to consider some of the objects sought to be attained by this legislation which extend far beyond the mere making of a reduction in tariff rates and to notice some of the criticisms which have been directed against Members of the majority, especially the new Members, for having reached an agreement to support the bill by a compromise of their differences. Finally I shall consider criticisms directed against those features of the bill which affect the agricultural classes and shall speak of the remarkable solicitude for the laboring class shown at this late hour by the Republican Party. The fact that I am a new Member and one of the Representatives of the greatest agricultural State in the Nation gives me warrant, I trust, for occupying for a brief space the time of the House.

As I understand the responsibility of the Democratic Party at this hour, it is not merely to reduce the tariff and at the same time produce the needed revenue for the Government. The people demand, and the highest interests of the Nation require, that, as far as is consistent with existing conditions, a tariff bill be passed which will permit the industrial development of the Nation along the lines of its natural adaptation. In no other way can we attain to enduring strength and maintain our present position when our natural resources shall have been reduced to a parity with those of older nations with which we are industrial competitors.

Gentlemen on the other side of the House complain of alleged inconsistencies in the bill. The Democratic Party is not building the tariff policy of the Nation; it is reconstructing that policy which the Republican Party fashioned. The country does not expect, and certainly gentlemen of the opposition should not demand, that with one effort the Democratic Party bring perfect symmetry and beauty to that monstrosity of which the opposition were the architects and builders. As stated by the gentleman from Pennsylvania [Mr. PALMER], no individual agrees with all the provisions of the bill. The gentleman from Wyoming [Mr. MONDELL] undertook on the opening day of this discussion to criticize individual Members, who were opposed to some feature of the bill drawn by the majority of the Ways and Means Committee, for not having combined and defeated it. The Republicans would have liked very much to have had us do that. The reason why we did not do it is because we believe this bill as a whole is a compliance with the preselection pledges of the Democratic Party, and if enacted into law will give to the people of the Nation substantial relief from the injustices of the tariff which the Republicans made. We had sense enough to know that agreement could be reached in no other way than by individuals making concessions for their constituents in behalf of the common good, in the benefits of which common good their constituents would participate and thereby receive compensation for that which they had surrendered. This tariff bill, like every tariff bill, is a matter of compromise, a matter of give and receive.

We were told by the gentleman from Massachusetts [Mr. GARDNER] that some substantial provisions of the present law—

Schedule K, for instance—did not accord with the views of that distinguished gentleman [Mr. PAYNE] whose name is attached to that law. This gentleman is commended in extravagant terms not only for having supported but for having fathered this offspring of the Republican Party. Greater love hath no man shown than this, that during all the years Schedule K has played the rôle of highwayman for the woolen manufacturer this gentleman, out of consideration for the good name of the Republican family, has held back any denial of its paternity. Yet Democrats are criticized for having surrendered minor differences to make certain the passage of this piece of great re-constructive legislation. If we would only get into a row among ourselves, if every Member would stand out stubbornly for everything he wants, we would be doing just what the Republican Party wants us to do and just what the country does not want us to do.

Our Republican friends, in their efforts to dissatisfy the country with this bill, take each business separately and dwell upon what this bill compels it to give up, but they make no mention of what benefits each business receives from the bill. To state what any class gives up does not state the effect of the bill on that class unless you state what it receives in return.

Great solicitude for the interests of the American farmer has been shown by the gentlemen on the other side of the House in their discussions, and grave apprehensions are expressed as to the effect of this bill on him. Protect the American farmer, they insist. Protect him how? How have they sought to serve him when they had the power to serve? They put the shadow of a duty on his products, but left on his back the burden of an exorbitant tariff on the things he must buy. They gave him the shadow while they took away from him the substance—substance which he has gathered from the markets of the world. By his industry and genius he produces more than the Nation consumes. Whatever tariff wall you put around his products, he must go over it to seek a market for his surplus, and the price at home and the price abroad are fixed in the markets of the world in open competition with the earth.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. SUMNERS. Yes.

Mr. KELLEY of Michigan. If it is not going to hurt the farmer to take the tariff off, how is it going to benefit the consumer?

Mr. SUMNERS. Does the gentleman mean by taking the tariff off agricultural products?

Mr. KELLEY of Michigan. Yes. How can it benefit one without hurting the other?

Mr. SUMNERS. We say it will not hurt the farmer for the reason that what the farmer gives up he will get back under the benefits of this bill and more besides.

Mr. KELLEY of Michigan. It will cheapen his commodity, will it not?

Mr. SUMNERS. It will cheapen some of his commodities, not the staple crops. I think nobody would deny that. You are going back to the great industrial sections of this country, may I say—and I mean it in no offensive sense—undertaking to make the men who work in the great factories believe that they get no benefit by the reduction. I am going back to Texas and tell my people that it will cheapen some of their minor products; then I am going to show them some of the benefits which this bill gives them in exchange for that which they are compelled to surrender.

The Republican Party is quite willing to give the farmer a tariff on those products the price of which is fixed in the markets of the world and therefore could not be increased by the tariff. In addition, it would gladly foster rural industries here and there in the hope, I dare say, of drawing recruits to strengthen its decimated ranks entrenched around the great tariff-favored industries of the city.

This is not all surmise. On the opening day of this discussion, the distinguished gentleman from Massachusetts [Mr. GARDNER], representing one of the greatest manufacturing districts, used this significant language:

Yet we know in our hearts that duties on manufactures and duties on farm products must go hand in hand. How long did the protective system in England last after the repeal of the corn laws? Just about as long as it took the indignant British farmer to join with the free trader and wipe the whole slate clean.

Is it not fair to suspect, in view of this language and of Republican discriminations against the agricultural interests, that this is the fountain from which springs the concern for the American farmer? Well can the manufacturer afford to give the farmer 16.75 per cent tariff on corn, for instance, as the law now provides, when the whole Nation imports a negligible quantity and the corn grower, after supplying the entire home demand at a price fixed in the free markets of the world, exports \$29,000,000 worth annually. The manufacturer can well afford this concession, which concedes nothing, if the farmer will pay

him at least 50 per cent more for his clothes than he could have bought them for in the markets to which he sent his corn for sale. This represents the sort of reciprocity which the Republican, representing the highly protected manufacturing interests, is offering to the farmers of the Nation as a basis for a political alliance with them.

While this bill removes this sort of pretended protection for the farmer, it gives him plows, harrows, reapers, drills, planters, mowers, cultivators, thrashing machines, cotton gins, and all other agricultural implements free of duty. On these he now pays an import duty of 15 per cent ad valorem. Bagging for his cotton is free of duty under this bill, as are also boots and shoes, sewing machines, leather, harness, saddles, saddlery, hoops and bands of iron for baling cotton, nails and spikes, horse and mule shoes, salt, lumber, fencing wire, and other important articles. In addition to the free list, the following are some of the important reductions in tariff duties carried by this bill.

Woolen dress goods, from 99.70 to 35 per cent.
Ready-made woolen clothing, from 79.56 to 35 per cent.
Flannels for underwear, from 93.29 to 25 and 35 per cent.
Woolen blankets, from 72.69 to 25 per cent.
Cotton underwear, from 60.27 to 25 per cent.
Stockings, hose, and half hose, from 75.38 to 50 per cent.
Shirts, collars, and cuffs, from 64.03 to 25 per cent.
Ready-made wearing apparel, from 50 to 30 per cent.
Handkerchiefs and mufflers, from 59.27 to 30 per cent.
Cotton thread, from 31.54 to 19.29 per cent.
Gloves, from 44.15 to 31.77 per cent.
Anvils of iron and steel, from 32.11 to 15 per cent.
Bolts, from 20.59 to 15 per cent.
Chains of all kinds, from 46.59 to 20 per cent.
Pocketknives, from 77.68 to 40 per cent.
Scissors and shears, from 53.77 to 30 per cent.
Table and butcher knives, forks, etc., from 41.98 to 27 per cent.
Files, etc., from 60.47 to 25 per cent.
Tinwares, from 45 to 25 per cent.
House or cabinet furniture of wood, from 35 to 15 per cent.
Sugar, from 48.54 to 36.25 per cent.
Red lead, from 60.35 to 25 per cent.
White lead, from 38.01 to 25 per cent.
Castile soap, from 16.20 to 10 per cent.
All bricks, from 30.23 to 10.28 per cent.
China, crockery ware, from 55 per cent to 35 or 50 per cent.
Wire rope and strand, from 49.84 to 30 per cent.
Common window glass, from 46.38 to 28.20 per cent.

There are something more than 4,000 items affected by this bill. The result is a reduction from the average rate under the present law of 40.12 per cent ad valorem to an average of 29.60 per cent ad valorem. Thus it will be seen that most of the articles which constitute the farmer's necessities have been put on the free list or a most material reduction made in the present tariff rate. This he has received in exchange for the surrender of the shadow of protective benefit with which the Republican Party has sought to deceive him into supporting its fallacies.

Of course the benefits which the farmer receives through this bill in the reduction of the tariff on clothing, furniture, and so forth, are shared by all the people. However, I have given especial consideration to the effect of this bill on the agricultural classes because of the desperate efforts which the high protectionists are making to establish an alliance with a part of the farming classes by magnifying the effects of the reductions of the tariff on farm products and undertaking to hide the substantial benefits which the bill gives them.

Nevertheless, I can not conclude without reference to the deep concern which the high protectionists are manifesting in another most important class of American citizens—that class known as the American workingman. Oh, the fathomless depths and sublime heights of that love—generous, full, and complete—finding, however, its only manifestation in Republican protection of industries per se.

"Shield the American laborer from the pauper laborer of Europe," you cry, while you fill your factories with thousands upon thousands of these pauper laborers, brought here to compete with the American workingman on his own soil, and to beat down his standard of living, in order that dividends may be greater and that you may be in a better position to starve him into submission when desperation drives him to strike for a living wage. The fact is that the whole burden of the tariff-created and tariff-supported industries, in their final transmission, rests on the laboring man and on those industries of the Nation which sell their products in competition with the world. The industry which can not sustain itself without help from the Government has no strength to yield for the sustenance of another.

But the Democratic Party is not an enemy to the manufacturing interests. The tariff-protected manufacturers bless the Republican Party for its bounty and are condemning in unmeasured terms the insistence of the Democratic Party that they relieve the industry of the country from a part of the burden of their weight. The future will prove the wisdom of the Democratic course; will prove the wisdom, in so far as the welfare of the now protected manufacturing interest itself is

concerned. That interest had better begin to put a little weight on its own legs. The time may come when it will need the strength to stand alone even. This thing is certain: The longer you postpone granting substantial relief to the American consumers the more radical their demands will be and the stronger their forces will grow.

I submit that that party is not a true friend of the manufacturing interest which advises that interest to disregard the will of a determined people, asking only for that which they have a right to demand. I ask you, and the Nation asks you: Will you ever grow brave enough and strong enough to bear the flag of commerce to victory in the industrial conflict of the world if you are forever to be held in the lap of the Nation and fed from a bottle?

I am sure I have no sectional prejudice. I would not consciously do injury to any man; certainly I would not want to embarrass those Democrats who have come here from the manufacturing section. It is nothing to be a Democrat down in my country, with a normal majority of 200,000, but those whom I admire most are the brave men who, during the long night of Republican misrule, have kept the watch fires of Democracy burning brightly on the hilltops of old New England.

Gentlemen on the other side of the House make sport of the Underwood competitive tariff policy. The distinguished gentleman from Alabama, in the announcement of that policy, made a lasting and momentous contribution to the practical political philosophy of this time.

Competition will take the antiquated machinery from the woolen mills of this country and substitute therefor equipment capable of the most economic production. Competition will stop waste, conserve energy, and give permanent strength to all industries. How will we ever get for this Nation its share of the commerce of the world unless, with far less protection than we now have, we become able successfully to meet the competition of those who must bring their goods from beyond the seas?

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Colorado [Mr. KEATING].

Mr. KEATING. Mr. Chairman, I want to address myself to the sugar schedule of this bill. I intend to vote for that schedule as it has been reported by the Ways and Means Committee.

I come from Colorado, which is the most important beet-sugar producing State in the Union. I was elected on a platform which specifically declared for the removal of the tariff on sugar, but the President of the United States has urged that the sugar manufacturers of this country be given three years in which to put their house in order, and he suggests an immediate cut of 25 per cent on the tariff with free trade at the end of three years. I believe my constituents have such faith in the judgment of Woodrow Wilson that they will accept this compromise, and, believing that, I propose to vote for the bill, and think I can do so with a clear conscience.

Mr. YOUNG of North Dakota. Mr. Chairman, will the gentleman yield for a question right there?

Mr. KEATING. I will.

Mr. YOUNG of North Dakota. What district did the gentleman say he represented?

Mr. KEATING. I represent the entire State of Colorado, having been elected as Congressman at Large.

Mr. YOUNG of North Dakota. I would like to ask the gentleman whether the people of Colorado, particularly the farmers, had any understanding or any knowledge when they voted for Mr. Wilson that he would in a certain sense be sponsor for such a bill as is introduced at this time?

THE FARMERS AND MR. WILSON.

Mr. KEATING. I believe, Mr. Chairman, that when the farmers of Colorado voted for Woodrow Wilson they believed he was a Democrat. They had no reason to believe that he disapproved of the action of the Democratic majority of this House in the last Congress, and I believe the men and women who voted for Mr. Wilson voted for him because they believed he would insist upon a downward revision of the tariff, and that, in order to attain that end, they were perfectly willing to accept free sugar and, if necessary, free wool.

Mr. YOUNG of North Dakota. Just one other interruption.

The CHAIRMAN. Does the gentleman yield?

Mr. KEATING. Certainly.

Mr. YOUNG of North Dakota. Is it not a fact that President Wilson in all his speeches reassured the business interests of the country that they had absolutely nothing to fear of radical revision by the Democratic Party?

Mr. KEATING. Yes, sir; that is exactly true; and it is true that the business interests of this country have nothing to fear from this tariff bill [applause on the Democratic side]; and, so far as the beet-sugar industry of the State of Colorado is, con-

cerned, it has nothing to fear from this tariff bill, because I want to tell you, sir, that in the State of Colorado we can raise sugar beets and we can make sugar in competition with the world. [Applause on the Democratic side.]

The proposition Woodrow Wilson made to the people of this country was that he would not disturb any legitimate industry, and sugar making is a legitimate industry in the State of Colorado and will not be disturbed. Now, Mr. Chairman—

Mr. YOUNG of North Dakota. I would like to ask the gentleman one other question. Is that the gentleman's personal view? Is that what the gentleman desires the people of Colorado to understand—that the sugar growers of that State have absolutely nothing to fear?

Mr. KEATING. It is not necessary for me to state my views on the floor of this House for the information of the sugar growers of Colorado. Everyone at home knows where I stand on this question. I was a candidate before the people of Colorado last fall. I went into practically every county in that State, and I distributed copies of my platform, in which I specifically declared that I wanted no man to vote for me unless he was willing to have me come down here and vote to remove the tariff on sugar. After the primaries and before the election I canvassed the State, under the auspices of the Democratic State committee, sometimes speaking once and sometimes eight times a day, and in every speech I delivered—in sugar camps and out of sugar camps—I declared that if elected I would vote for free sugar, and that I did not want to be elected under any other circumstances. [Applause on the Democratic side.]

Mr. YOUNG of North Dakota. I want to say to the gentleman that he was very much more candid in his statement to his constituents than many other Democratic candidates throughout the country.

Mr. KEATING. I thank the gentleman for the compliment.

EFFECT ON COLORADO.

Now, Mr. Chairman, in the time allotted to me it is impossible to go into a thorough discussion of this sugar question. I expect, therefore, to make only a brief reference to the broader aspects of this problem and to confine myself largely to a consideration of the effects upon my home State of Colorado. We have heard a great deal on the sugar question in the last 12 or 15 years, especially here in Congress. And out of these debates and the library of reports which have been made upon this subject, I think one fact stands out so clearly that no intelligent man can question its accuracy, and that fact is that the sugar tariff adds from 1½ to 2 cents to the price of every pound of sugar consumed in this country. If that be true—and so far as I know no attempt has been made to controvert that proposition—then the American consumer who, according to reports, consumes something like 80 pounds of sugar per year, is taxed from \$1.20 to \$1.50 a year for the purpose of sustaining the Sugar Trust. As we have something like 90,000,000 consumers in this country, approximately \$115,000,000 per year is added to the sugar bill of the consumers of the country. And the proposition we have before us to-day, when we get right down to bedrock, as we say out in the West, is, Shall we remove from the shoulders of the consumers in this country this burden of \$115,000,000 a year, or shall we not?

THE COST OF THE SUGAR TARIFF.

The Democratic Party takes the position that we shall, and the Republican Party—or, at least, that portion of the Republican Party which is able to agree—takes the position that if you remove the tariff you will destroy a great and prosperous industry. I insist that instead of destroying the beet-sugar industry free sugar will save it. But before proceeding to that phase of the matter I want to call the attention of the House to what it costs the people of the West to maintain this sugar tariff.

The State of Colorado has a population of approximately 800,000 people, and in common with all the other citizens of this country the people of that State pay this flat tax of \$1.20 per head to sustain the Sugar Trust. Every man, woman, and child pays it. But in addition to that the sugar company charges us another tax. They charge us for the privilege of living in the shadow of a sugar factory, and on every hundred pounds of sugar sold in Colorado they add 55 cents for freight. Now, as a matter of fact, the sugar is made in Colorado, but they charge us freight from the seaboard to the point of consumption. As I said, this freight rate is 55 cents a hundred, so that our per capita contribution to the sugar company is \$1.75, and on the basis of a population of 800,000 that makes an annual contribution of about \$1,400,000, or more money than the people of Colorado contribute to sustain their State government.

But while the situation in Colorado so far as sugar is concerned is rather bad, we are fortunate compared with the people of Idaho and Montana. They raise sugar beets in those

States and they have a great number of sugar factories there. But the Sugar Trust adds an additional penalty to the cost of sugar used in those States, and they charge the Idaho and Montana consumer 45 cents per hundred more than they do the consumer in Colorado and \$1 a hundred more than they do the consumer of beet sugar in New York. In other words, they will take Idaho beet sugar and carry it across the continent to the city of New York and sell it for \$1 a hundred less than they will sell it at the doors of the sugar factory in Montana and Idaho, and, on the basis of Idaho's population, the consumers of that State are contributing \$715,000 a year to support the Sugar Trust. The consumers of Montana—Montana having a larger population—contribute \$827,200 a year.

ARIZONA THE UNFORTUNATE.

But while we may sympathize with the consumer in Colorado, and sympathize still more with the consumer in Idaho and Montana, it is only when we come to Arizona that our hearts bleed. Down in Arizona the Federal Government has expended many millions of dollars in constructing reclamation projects in order that the farmers there may grow sugar beets and other things. And they are growing sugar beets there. As a sugar-beet State Arizona is almost the equal of Colorado, but when you come to purchase sugar in Arizona from an Arizona beet-sugar factory you find that the Sugar Trust has tacked 34 cents a hundred onto the price that it charges in Idaho and 79 cents to the price it charges in Colorado and \$1.34 a hundred more than it charges in the city of New York. In other words, the unfortunate sugar consumer who lives at the doors of an Arizona beet-sugar factory must pay \$1.34 a hundred more for his beet sugar than the more fortunate citizen of this country who lives in New York. Arizona contributes something like \$500,000 a year to the upkeep of the Sugar Trust.

Gentlemen from other States may figure out this problem for themselves. I wish my good friend from Kansas here [Mr. MURDOCK] would take the trouble to find out how much it costs his people to maintain the sugar factory at Garden City, which is capitalized for ten times the amount it costs to construct. He will find the bill is a staggering one.

Viewed in the light of the best interests of all the people of this country, there would be no question of what we should do with this measure. It should be passed through this House by a unanimous vote, the Progressives and Republicans vying with Democrats to give the people of this country relief from this burden.

NO COMPETITION IN SUGAR.

But, my friends, the press agent of the Sugar Trust tells us that if we take this tariff off sugar we will destroy the beet-sugar industry, and that the farmers—

Mr. YOUNG of North Dakota. What does the gentleman mean by "the trust"?

Mr. KEATING. I mean by "the trust" the American Sugar Refining Co. and its friends in the beet-sugar business, because, I will say for the information of the gentleman, that the American Sugar Refining Co. controls every beet-sugar factory in the United States.

Mr. KELLEY of Michigan. Oh, pshaw!

Mr. KEATING. Absolutely; if not by stock holdings then by trade arrangements or selling arrangements—every one of them. There is not an independent beet-sugar company in the United States when it comes to selling sugar to the consumer.

Mr. KELLEY of Michigan. What is the gentleman's evidence for that? I think the House is entitled to some proof of that statement.

The CHAIRMAN. Does the gentleman from Colorado yield to the gentleman from Michigan?

Mr. KEATING. Yes.

Mr. KELLEY of Michigan. I represent in part the State of Michigan, where we have many beet-sugar factories.

The CHAIRMAN. Does the gentleman yield?

Mr. KELLEY of Michigan. He said he would. I would like to know if that is true.

Mr. KEATING. The evidence is to be found in the conditions that prevail in the sugar trade in this country.

Mr. KELLEY of Michigan. Is that the gentleman's answer?

Mr. KEATING. That is my answer; and if I had the time I could go into the figures with the gentleman from Michigan, and I think I could demonstrate to his satisfaction that there is a selling arrangement by which the price is fixed for consumers. I am perfectly sure of that proposition in my own State of Colorado, and it is never denied out there.

Mr. YOUNG of North Dakota. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. KEATING. I would like to yield to the gentleman, but I have only 20 minutes in which to say all I have to say.

The CHAIRMAN. Does the gentleman yield?

Mr. KEATING. Yes.

Mr. YOUNG of North Dakota. I want to say to the gentleman that in most of the States the people are much interested in this subject, especially so far as the farming communities are concerned, representing the great majority of the country, and if the gentleman has any figures to carry out the statement he has just made that there is a trust which fixes the price of sugar of all kinds, I would like very much to hear from him on that point. Is there genuine competition between cane-sugar refiners and beet-sugar manufacturers? I represent a district where we buy sugar and do not make it, and if the gentleman has in his possession any facts along that line to the effect that there is one trust in this country that controls all the sugar industries, both cane and beet, that is something that the people ought to know and a thing which I would like to know.

OVERWHELMING EVIDENCE OF COMBINE.

Mr. KEATING. I think the people should know it, Mr. Chairman, and that is one of the purposes I have in making this speech. So far as the State of Colorado is concerned, there is no question about that; and so far as any other Western State is concerned, there is no question about it. You read the testimony that was submitted in the suit of the United States against the American Sugar Refining Co., and you will find that you can not reach any other conclusion.

After the representatives of the trust had squirmed and sought to evade the issue as much as they could the fact was wrung from them that so far as these western factories were concerned they were controlled by Mr. Havemeyer, and there was an absolute understanding as to the price at which sugar was to be sold. And to-day, in every city in Colorado, in every city in Utah, in every city in Idaho and Montana, the price of sugar is the price at San Francisco, plus the freight from San Francisco to the city where you are selling the sugar. In the case of Denver this freight charge is 55 cents a hundred.

In this connection the case of Grand Junction, Colo., is very interesting. Until a short time ago the Sugar Trust charged the people of Grand Junction not only the freight from San Francisco to Denver but they also charged the freight from Denver back to Grand Junction, although if they had shipped the sugar from San Francisco, which they did not, they would have had to pass through Grand Junction to reach Denver. As a matter of fact they never shipped the sugar from San Francisco. The sugar is made in Grand Junction, and when a grocer wants sugar he sends his boy down to the sugar factory and the sugar is loaded on a wagon and taken to the grocery store.

In the face of this fact the trust tacked a freight charge of 80 cents on every sack of sugar sold in Grand Junction.

The local factory, while styling itself independent, was a party to the holdup. Eventually public sentiment became so strong that the trust graciously agreed to waive the freight charge from Denver to Grand Junction—25 cents—but insisted that the people must continue to pay the mythical freight charge from San Francisco to Denver.

Now, Mr. Chairman, in order to finally convince my skeptical friend from Michigan [Mr. KELLEY] that there is no relation between the selling price and the cost of production of American-made sugar, and that the people of this country are paying the price fixed by the Sugar Trust, I will submit the following table, showing the price of sugar in various cities on March 15, 1913:

Prices quoted on beet and cane sugar at various western points on Mar. 15, 1913.

	Beet.	Cane.
	Cents.	Cents.
Guthrie, Okla.	4.56	4.76
Omaha, Nebr.	4.48	4.58
Denver, Colo.	4.80	5.00
Kansas City, Mo.	4.48	4.58
Salt Lake City, Utah	4.95	5.15
Seattle, Wash.	4.61½	4.81½
Tacoma, Wash.	4.61½	4.81½
Helena, Mont.	5.25	5.45
Boise City, Idaho	5.25	5.45
Carson City, Nev.	5.25	5.45
Los Angeles, Cal.	4.61½	4.81½
Phoenix, Ariz.	5.59	5.79
St. Paul, Minn.	4.47½	4.57½
Chicago, Ill.	4.38½	4.48½
Milwaukee, Wis.	4.38½	4.48½
Topeka, Kans.	4.56	4.66
Atchison, Kans.	4.48	4.58
Louisville, Ky.	4.38½	4.48½
Cleveland, Ohio	4.37½	4.47½
Bay City, Mich.	4.43½	4.53½
Saginaw, Mich.	4.43½	4.53½
Detroit, Mich.	4.37½	4.47½
Pittsburgh, Pa.	4.35	4.40
Buffalo, N. Y.	4.35	4.40
New York, N. Y.	4.25	4.30

You will notice, Mr. Chairman, that the closer you live to a sugar factory the higher the price you pay for sugar.

TOTAL COST TO COUNTRY.

Now let us consider what this robber sugar tariff has cost the consumers of this country.

It is estimated by experts that in the years from 1898 to 1911, inclusive, the consumers of this country paid in increased prices for sugar the staggering sum of \$1,368,774,292.

This would be sufficient to construct three Panama canals; it would gridiron this country with asphalted roads; or it would construct a navy which would satisfy even the distinguished gentleman from Alabama [Mr. HOBSON]. But the most impressive fact is that it represents three times the total value of all the beet sugar produced in this country during the period mentioned.

Such economic folly must end.

Now, Mr. Chairman, having counted the cost of a sugar tariff, suppose we consider the claims of the gentlemen on the other side of the Chamber that the removal of the tariff on sugar will destroy the sugar industry in this country.

WILL STIMULATE, NOT DESTROY.

I do not presume to speak for the sugar industry of Louisiana—I am not an expert on exotics—but so far as Colorado and the other Western States are concerned, free sugar will, in my judgment, prove a tremendous stimulus to the beet-sugar industry and will lead to the establishment of extensive and most important auxiliary industries, such as packing, preserving, and so forth. Free sugar will injure just one class—the owners of the watered stock of the beet-sugar companies. Unfortunately, the men who are responsible for the water will not suffer alone. They have in many cases unloaded the watered or common stock on the gullible American investor.

One of the men most active in the sugar lobby in this city boasted to me a short time ago that he did not own a dollar of common stock. He had sold all his holdings to the widows and orphans whom he is now parading before the sympathetic eyes of Congress in an attempt to have the tariff on sugar retained.

The 76 beet-sugar factories in this country are capitalized for \$141,000,000. Their real value is less than \$60,000,000. Eighty millions of water must be removed, and then the patient will be able to sit up and take a little nourishment.

Can the western beet-sugar factories pay the farmers the prevailing price for beets—\$5.50 for 15 per cent beets—and produce granulated sugar in competition with the world? Without a moment's hesitation, I answer "Yes."

How do I arrive at that conclusion? Let me show you.

COST OF MAKING BEET SUGAR.

Germany is the world's foremost producer of beet sugar. German sugar enters the English market and competes with the sugars of the world. We have not heard anything about the pauper labor of the Tropics driving German sugar out of England. In fact, there is some complaint that this so-called pauper labor needs "protection" against the vigorous German sugar maker.

This being the fact, it stands to reason that if we can produce sugar as cheaply as Germany we, too, can compete with the world.

That brings us to the question, What does it cost to produce 100 pounds of sugar in Germany and what should it cost in this country?

The problem is not so complicated as our friends on the other side of the Chamber would have us believe.

The principal item in the cost of producing beet sugar is the price paid the farmer for his beets.

In this country the standard price is \$5.50 per ton for 15 per cent beets. The factories in Colorado pay that price, not because their owners are philanthropists, as some gentlemen would have us believe, but because our farmers will not raise beets for less. They do not have to. They can raise other crops of as great money value. I wish the gentleman from Wyoming [Mr. MONDELL] would bear that fact in mind when he is shedding crocodile tears over the impending impoverishment of Colorado's farmers.

Thank God, the prosperity of the farmers of my State is not dependent on the generosity of the Sugar Trust.

I have been to some trouble to ascertain the price paid the German farmer for his beets. I find that many of the German factories are run on the cooperative basis. The farmer is guaranteed a certain sum for his beets and then in addition receives a share of the dividends paid by the factories.

The Sugar Trust's press agents have taken advantage of this fact to circulate many misleading statements concerning the compensation received by the German farmer. They give the guaranteed sum, but make no mention of the additional dividend.

My inquiries show that the average price received by the German farmer is \$5.45 per ton for 15 per cent beets. In addition he receives free seed and from 40 to 60 per cent of the pulp.

So, on the whole, he receives a higher price than his American brother.

Thus, on the principal item of cost we find the American factory has a slight advantage over its German rival.

LABOR COST IN FACTORIES.

"But," our protectionist friends exclaim, "the German factories are run by pauper labor." Well, I never heard a workman in an American sugar factory complain that he experienced any difficulty in carrying home his week's wages on Saturday night.

The fact is that, according to the sugar men's own statement, the labor cost of producing 100 pounds of sugar is only 14 cents. The German cost may be a little less than that, but not much.

The next item in importance is fuel, and we have more coal in the State of Colorado and more water power in our mountains than you can find in the entire German Empire. Why, sir, if you will promise to establish an enterprise of importance in my town of Pueblo I will guarantee to furnish you with the cheapest power in the world.

Now, let us summarize. The German factory pays more for its beets and its fuel and a little less for its labor than the American factory. In other words, it is about an "even break." And do gentlemen contend that Yankee brains and Yankee brawn require more than that to win in any of life's contests?

Of course, in all fairness, I should admit that the German factory owner has one decided advantage over us. He is not staggering under a mountain of watered stock. He is satisfied with a reasonable return on the capital actually invested, and our sugar magnates will come to that after this bill is placed on the statute books.

The factory pays the American farmer about 1.9 cents per pound for the sugar in his beets. It costs about six-tenths of a cent per pound to extract the sugar. That makes the factory cost about 2.5 cents per pound.

The average price for sugar in London—and that is the world price, and will not be changed materially by anything we may do here—is 3.6 cents per pound.

There is an ample margin there to attract capital to beet-sugar factories efficiently managed and capitalized at their real value.

ARE OUR FACTORIES UP TO DATE?

Just a word on this question of the efficiency of American factories. I have in my hand the annual report of the American Beet Sugar Co. for 1911. I might say that, as I understand these figures, they show the company earned more than 40 per cent that year on the capital actually invested.

That is not the point I wanted to make, however. This report shows that this company owns six factories, and that at least three of them—those located at Rocky Ford and Lamar, Colo., and Grand Island, Nebr.—are equipped with machinery which is out of date and costly to operate.

The description of the Lamar factory will answer for all the others. This report says of the Lamar plant:

Its machinery is of an old French pattern, removed from the company's abandoned Norfolk factory, and therefore far out of date and comparatively expensive to operate.

I will admit that that kind of a collection of old junk can not be expected to compete with the world, but I contend the American people should not be taxed to keep it and other antiquated plants like it in operation.

Give us new, up-to-the-minute plants and we will not require a tariff.

SELLING OUT TO THE SUGAR TRUST.

I wish I had the time, Mr. Chairman, to go into another very interesting phase of this sugar question. I should like to tell the story of how the men who are now directing the sugar lobby in this city betrayed the beet-sugar interests of the West to the Sugar Trust and became the paid agents of Havemeyer and his associates.

I have before me three bulky volumes of the evidence taken in the case of the United States against The American Sugar Refining Co. and others in the United States District Court for the Southern District of New York.

One of the witnesses in that case was Chester S. Morey, president of the Great Western Sugar Co., and a leading business man of Denver.

Mr. Morey testified that he went into the beet-sugar business in 1901. At that time all the beet-sugar factories in the West were independent concerns, promoted in large part by local capital. The industry was developing by leaps and bounds. Tests had shown that vast areas in the West were adapted to the growth of the sugar beet, and scores of towns were planning to erect factories.

Mr. Morey swears that in less than a year after he secured an interest in a factory in northern Colorado he conceived the idea of selling out to the Sugar Trust. He tells in detail how he went down to New York, met Havemeyer, got a big price for his holdings, and then became the paid secret agent of the head of the Sugar Trust.

This evidence shows that it was Morey's business to hamper and harass the beet-sugar business of the West. Acting under directions from Havemeyer he first sought to prevent the erection of new factories, and failing in that endeavored to secure a controlling interest in the new enterprises.

These volumes show that the trust and its representatives did not hesitate to threaten to ruin men if they dared go into the sugar business in defiance of Havemeyer's wishes.

Morey was not alone in this work. Havemeyer had his representatives in Utah, Idaho, Montana, and California—wherever the industry promised to become established.

COMBINED TO OPPRESS FARMERS.

These agents of the trust not only discouraged the establishment of new plants, but they banded together to keep down the price paid the farmers for their beets. The farmers organized and succeeded by a series of struggles in forcing the price of beets from \$4.50 to \$5.50 per ton, but capital was effectually discouraged from investing in independent sugar plants.

Did the time permit I could read the testimony to prove how these agents of the trust succeeded in preventing the erection of sugar factories at Brighton and Durango, in my State, and at various points in other States.

I can not refrain from reading just one letter from Morey to his employer—Havemeyer. Some Colorado Springs capitalists planned to erect a sugar factory at Sheridan, Wyo. Morey sent his friend Boettcher to them and endeavored to discourage them. He even used the old tariff bugaboo to frighten them, but they were evidently familiar with that time-worn fake and maintained their position. Then Morey wrote the following plaintive wail to Havemeyer, and it shows just how much he was interested in developing the beet-sugar industry in the West:

THE GREAT WESTERN SUGAR CO.,
Denver, Colo., June 8, 1906.

MR. H. O. HAVEMEYER, New York.

DEAR SIR: The inclosed letter from Mr. Boettcher explains itself. Would like to know if you see any way to check this kind of competition. I sometimes think it is a mistake not listing our stock and offering it for sale; if people want to buy common stock we ought to give them a chance to come in. This is simply a suggestion. We are doing everything we can to discourage the building of any more factories until the matter of tariff legislation is more settled than it is at present. We are using that as a basis of argument against the building of any more factories.

Promoters like the Garden City and the Sheridan people are claiming that trusts have made great profits out of the business, and in that way selling their stock.

Respectfully, yours,

C. S. MOREY.

This letter was written six years ago when our Republican friends were in control of the Government, and there was not one chance in a thousand that there would be any "tinkering with the tariff."

EARNINGS OF THE FACTORIES.

And now, Mr. Chairman, permit me to read just one more letter from Mr. Morey. This time to demonstrate the enormous profits earned by the beet-sugar companies. This letter was written by Morey to Washington B. Thomas, president of the Sugar Trust, on March 19, 1910:

You will notice that this year, in addition to the regular 2½ per cent depreciation which we have been deducting for the last three years, we have set up \$1,000,000 in depreciation reserve. I do not want this year's earnings to appear as large as they would if we had not made this entry. Of course, this can be changed if the board of directors does not approve of it.

You will note that our total surplus is shown by these statements as a little over \$5,000,000. This does not include any surplus from the Billings Co., the Great Western Railway Co., and other corporations, which really add nearly \$2,000,000.

Our sugar is invoiced at 4 cents, and judging from present market indications there is at least \$1,000,000 profit that will show up in next year's business. The value of our real estate and railroads over and above the amount at which they are carried is at least \$5,000,000, so that the actual surplus is nearer \$9,000,000 than \$5,000,000.

The Great Western Sugar Co. had been in existence about five years; had paid yearly dividends and accumulated a surplus of \$9,000,000. No wonder Mr. Morey did not want the public to know the facts.

WILL PUT INDUSTRY ON ITS FEET.

I prefaced my remarks with the statement that I believed free sugar would stimulate the sugar industry of Colorado, not destroy it.

Why? Because I believe free sugar will demonstrate that Colorado's sugar industry is a legitimate industry—that we can raise beets and make sugar in competition with the world.

Once we have proven that fact to the satisfaction of the thinking business men, capital will flow into our State for the estab-

lishment of sugar factories. It will be impossible for the trust's agents to frighten it away. They can not use the possibility of tariff legislation as a bugaboo, for the industry will be standing erect on its own legs.

That investors have already sensed this truth is shown by an advertisement which I received this morning announcing the formation of an independent sugar company in Colorado. The organizer, Ward Darley, is a man who has felt the fangs of the Sugar Trust, and he rejoices that we are about to strike the shackles from the limbs of this great industry.

WILL AID COLORADO'S FRUIT RAISERS.

But that will be only one of the many benefits which will inure to the people of Colorado from this legislation.

Under free sugar the consumers will save \$1,400,000 a year, which now goes to swell the dividends of the Sugar Trust.

When I began my campaign last year the sugar consumers of Colorado were paying \$1 for 14 pounds of sugar. Under this bill they will receive from 20 to 25 pounds for a dollar.

Colorado is one of the great fruit-raising States of the Union. Last year tens of thousands of dollars' worth of fruit perished in our orchards. If this industry is to be saved Colorado must be dotted with preserving and packing plants. To secure these plants we must have cheap sugar.

To-day we produce ten times the sugar we consume, and we pay 2 cents a pound more for sugar than the same sugar is sold for on the docks of New York for export to England.

If we could buy our sugar at the cost of production, plus a reasonable interest on the capital actually invested in our sugar factories, we could build up in Colorado a packing and preserving industry which would be the pride of this Nation.

Exhaustive study has convinced me of the truth of what I have said this afternoon. I would not knowingly do anything to retard the material prosperity of my State. I have lived there all my life. Every dollar I have in the world is invested there. I trust when my eyes are closing for my last long sleep they will be permitted to glimpse the snow-capped glory of her peaks. I believe I am a loving, loyal son of the Commonwealth, and I am convinced that in voting for this bill I am rendering a distinct service to my State and its people.

The CHAIRMAN (Mr. GARRETT of Texas). The time of the gentleman from Colorado has expired. At the request of the chairman of the Ways and Means Committee the Chair recognizes the gentleman from Illinois [Mr. O'HAIR].

Mr. MURDOCK. I was going to suggest that inasmuch as the chairman of the Committee on Ways and Means was absent and I knew that he intended to recognize the gentleman from Illinois [Mr. O'HAIR], I would yield him the time, out of the time of the gentleman from Alabama, however. [Laughter.]

The CHAIRMAN. The gentleman from Illinois [Mr. O'HAIR] is recognized.

Mr. O'HAIR. Mr. Chairman, the courtesy of the distinguished Progressive leader from Kansas [Mr. MURDOCK] recalls very forcibly to my mind the generosity displayed by some of our friends on the minority side last fall.

I trust that during the course of my remarks there will be no disturbance by loud and tumultuous applause. [Laughter and applause.]

The tariff question during the last 50 years has presented a subject for radical dispute among the American people, and probably on no other question of public debate has there been such unanimous disagreement.

If after all these years of discussion and public education the per cent of the people who know something about the tariff were as great as the per cent who never have been able to understand it, we might then hope at some future time to arrive at a true solution of this great public problem.

After reading and listening to a great number of speeches presenting the tariff issue from an academic standpoint and after an honest attempt to try to understand the different theories of a harmonious tariff schedule as an entity, my brain feels very much as if it had been subjected to an electric buzzer or an attempt to read and understand the printed rules governing this House.

I know this, however, and there seems to be no one with any reputation for good sense who contradicts the proposition, that the tariff is a tax and that the ultimate consumer has to pay the tax. With this much clear in my mind and uncontradicted I want to say that if a protective tariff tax produces prosperity it is the first instance among men, either savage or civilized, since the beginning of time that a tax has been regarded as an evidence of prosperity and a thing altogether to be desired.

The good people of the district which I have the honor of representing do not seem to be disturbed by the prospects of the enactment of this bill into law. I have not received one letter nor one telegram of protest from any of my friends or

constituents, but I have received many communications in which congratulations were extended to the Democratic Party for the faithful manner in which it was proceeding to carry out to the letter the pledges of our platform.

I am not worried nor bothered very much over the theory of tariff making, because I am a believer in freedom of all kinds under proper conditions—freedom of conscience, freedom of speech, freedom of action, and freedom of trade relations when that time shall have arrived.

I believe that the fewest laws of a restrictive nature with which it is possible to govern a civilized country are the most consistent with peace and prosperity.

Of course everyone realizes that the unnatural and artificial conditions in some business interests, founded and built up by subsidies in the form of a protective tariff, must be let down to a common level and to their natural condition gradually.

It takes about as long to walk down a hill as it did to walk to the top on the other side. It takes nearly as long to cure a chronic disease as the disease was in maturing. So it may take a considerable time to regulate these unnatural business concerns and to establish an understanding with them that they must do business without expecting the Government to protect them. To administer medicine enough at one dose to cure an aggravated disease would result in death to the patient. So to attempt to right the evils which have grown up under the protective system at once might result injuriously.

The Underwood bill, now before us for consideration, is based on a splendid theory for lowering the tariff bars, and, as I see it, its different parts are in harmony one with the other.

Of course under our present system we all recognize that funds must be raised with which to conduct the affairs of this Government. That being true, the only theory that appeals to me is the one that places the burden of taxation most heavily upon the shoulders of those most able to bear it and who are least accustomed to bearing it under the system heretofore adopted by the Republican Party.

I believe that there should be the least tariff on the necessities of life and the highest tariff on the luxuries of life. And right here is a line not clearly marked nor defined as to what are necessities and what are luxuries.

A luxury is something that nobody needs, but which rich people buy because poor people can not.

A necessary of life is something that everyone must have in order to live out his full allotment of time.

In reading this bill I have found a few things that I would change. Most of us would revise the Scriptures, no doubt, if we were given an opportunity. I would revise this bill by putting a tax of 100 per cent on diamonds of all kinds, as well as on pearls and jewelry. I believe that diamonds are of absolutely no use on earth to mankind. The human race would live just as long and would be just as happy and healthy without them as with them. I would rather have a crumb of bread and a drop of water with which to sustain life and enable me to live out my allotted time than a bushel of the finest diamonds and pearls in the world; and that is the reason I would put a high tax on diamonds. [Applause.]

I do not think I should be accused of entertaining a prejudice against diamonds, or people who own diamonds or who expect to own them, because I also would raise the tariff on silks; and, if I am not mistaken, we have one silk dress in our family. Silk is partly a luxury and partly a necessity. A silk dress will warm the body. Silk will serve as wearing apparel, and to that extent is possessed of the elements of a necessary of life; but a large part of its value is made up of what might be termed useless, ornamental, and luxurious qualities, and to that extent I would tax silk very high. Those who can afford silks and diamonds as luxuries would have to pay more dearly if I were making this bill than they will be compelled to pay under its provisions as it now stands.

This bill could not possibly suit all Democrats. It probably is true that it does not in its entirety suit any Democrat, but I believe that it comes nearest being the composite belief and opinion of what is right in this matter of any bill that could have been presented to this House. It possesses sufficient harmony to slide down from the top of the protective system to the common level of equal justice and the harbor of equal rights and privileges.

I will not say as, four years ago, did the man who occupied the great office of President of the United States that this is the best tariff bill that ever was written. That speech got that President into more trouble than everything else that he ever said while he was President. I would not use such an exaggerated expression about this bill, but I will say this about it, that it has the fewest faults of any bill that I have had an opportunity to read.

Mr. Chairman, this law, if enacted, may disturb some business interests; there are some business interests in this country that ought to be disturbed. Any business that has been fertilized by a protective tariff of personal favor and pampered privilege ought to be destroyed, but all of those business affairs that have been created by the brawn and brain of American industry, that are fostered and fertilized by the honest endeavor of progressive manhood, I do not believe need fear for one moment that their interests will be disturbed nor their trade relations disastrously affected by the enactment of this tariff law. [Loud applause on the Democratic side.]

Mr. UNDERWOOD. Mr. Chairman, I would like to ask how the time stands between the two sides of the House.

The CHAIRMAN. The gentleman from Alabama has used 8 hours and 2 minutes and the gentleman from New York 9 hours and 34 minutes.

Mr. UNDERWOOD. I now yield to the gentleman from Illinois [Mr. GORMAN].

Mr. GORMAN. Mr. Chairman, I approach the discussion of the bill now under consideration with some reluctance because of the great number of able and distinguished gentlemen on both sides of this Chamber who have eloquently and learnedly contributed of their vast store of knowledge on tariff legislation and legislative experience to the analysis of the pending bill, and the comparison of it with preceding tariff measures, to the enlightenment of the House and the general information of the country.

I realize also that what I shall say here is uttered in the presence of master minds and of men who have devoted the best years of their lives to the service of the public, and who bring to the debate on the pending measure not only the ripe experience of many years, but also that confidence which comes alone from long-continued service and devotion to the public weal.

If I were to be guided by my personal feelings in the premises, I would content myself with simply voting as my judgment and political convictions bid me, and spare myself the labor of preparing what I am about to submit as well as spare the House the discomfort of listening to my feeble contribution to a much discussed and now thoroughly analyzed tariff measure.

But, Mr. Chairman, my own feelings and my regard for the feeling of the Members of this body can not control me. I have been chosen to represent a congressional district in the great Commonwealth of Illinois, whose population, according to the last census, was more than 250,000 souls, and whose inhabitants are engaged in every conceivable avenue of legitimate human endeavor. The farmer, the school-teacher, the banker, the laborer, the mechanic, the merchant, and the clergyman are all enumerated in the census of the third congressional district of Illinois, and the high order of that district's intelligence demands of its Representative in Congress something more than the mere announcement of his vote on a measure which is designed to levy taxes on the people of the country amounting to hundreds of millions of dollars.

Mr. Chairman, whether my action here be right or wrong, my guide in that regard shall be my conscience and my duty as I see it to those who have by their votes cast honor and responsibility upon me far beyond the measure of my worth, and in the discharge of that duty my first obligation is to give expression to those convictions which prompt my action, so that when my vote and act are submitted for scrutiny to those who have the right to scrutinize, they will know as well and be in a position to judge not only the act, but the motive which prompted it.

The bill now under consideration is called a tariff bill, and all bills of like character, I find, from the beginning of the Government have been called tariff bills.

I am prompted to inquire why such measures are called tariff bills. My limited knowledge of the science of legislation is my only excuse for suggesting the question, but I confess to a belief that the bill now under consideration and all other similar measures would be better entitled if they were called bills "to tax the American people for the maintenance of the Government," for such, in truth, every tariff bill is.

The legislative legerdemain practiced by the Republicans and their outcry for "protection to American industries" and "the foreigner pays the tax" have led to a false impression that a tariff bill is not a taxation measure, and I believe that a plain designation of the bill by a title that truthfully expresses its purpose would help materially to destroy the illusions as to who pays the tax and what is being "protected."

Our Republican brethren in presenting tariff measures have reveled in the high-sounding phraseology of a bill "to provide revenue, to protect American industries, and for other pur-

poses," whereas if no disguise were resorted to such bills should have been entitled in contrast to the measure now under consideration, bills "to overtax the American people, to increase our crop of millionaires, and incidentally provide some revenue."

There was a time when the Republicans boasted in justification of their alleged protective measures that "the foreigner paid the tax," but I venture to assert that no gentleman on the other side of this Chamber will now assert that exploded and threadbare theory. They must confess that whatever revenue is derived from the pending tariff measure as well as any preceding tariff measure that was enacted into the law must be paid by the ultimate American consumer, except such revenue alone as is provided by the income-tax feature of the bill now under consideration.

Dismissing all theory for the time being and looking squarely at the facts, we are confronted with this situation:

The Government needs for its economic management for the coming year, according to the Treasury estimates, more than \$800,000,000. This revenue can be derived only in the following ways: Either by a direct tax on the American people or an indirect tax levied in the first instance on commodities shipped to our shores from abroad and eventually through the sale and distribution of those commodities to the ultimate consumer, who takes the commodity charged with its proportion of the tariff tax, which is included in its price and which proportion of the tax the ultimate consumer has to pay; or this revenue may be derived by a combination of the direct and indirect tax, as is proposed by the pending measure.

The objections which have been urged against this bill by those who sit on the other side of the Chamber are that the indirect taxes provided by the bill are not sufficient to produce the requisite revenue, and therefore it is not a revenue measure; that the income-tax clause of the bill is objectionable because it is new and untried; it is inquisitorial and will prove expensive and objectionable in its enforcement. Without conceding any force or merit to these objections, they are entirely beside the issue.

Taxes are necessary to the maintenance of the Government, and the levying of taxes is the highest function which government can exercise. In the exercise of that great function the Government must be guided by a spirit of absolute and independent justice to all its people—men, women, and children.

Any system of taxation which is levied on the taxpayer without regard to his proportion or his ability to pay is wrong. The indirect system of taxation, coupled with the doctrine of extreme protection, as advocated by the Republicans, has proven vicious in its application. To determine whether protection is right or wrong as a system of taxation, its effect upon the great masses of the people, when applied to one of the great necessities of life, it strikes me is a fair way to test the question, and as the Payne-Aldrich law is the last expression by the Republican Party on the subject of protective-tariff legislation, and as Schedule K of that law, which deals with wool and woolen manufactures, is the most pronounced application of the protection principle, and as wool is a great, if not the greatest, necessity to the consuming masses of the people, I shall direct the attention of the House briefly to the famous Schedule K.

Under the provisions of the Payne-Aldrich law wool yarns used in knitting and mending socks and stockings are taxed 79.44 per cent, woolen underwear is taxed 93.29 per cent, woolen dress goods 99.70 per cent, and ready-made woolen suits are taxed 79.29 per cent. The items which I have here enumerated are absolute necessities to the farmer and workingman. I maintain that when the American workingman, whose wealth usually consists of his wife, his children, his daily wage, and his ability to earn a living, is obliged to pay 79 per cent of the price of the yarn used in knitting and mending socks and stockings, 93 per cent of the cost of the woolen underwear used by his family, 99 per cent of the price of their woolen dress goods, and 79 per cent of the price of their ready-made suits of clothes in taxes for the support of his Government he is paying far more than his just share and is being taxed far beyond his ability to pay, as the family of the average American workingman is five children, while the millionaire's family is usually less in number than that of the workingman. They buy no yarn for knitting or mending socks, their suits are not ready-made, the raiment of the millionaire's family is usually silk or satin, and it is not unusual, I am told, for them to go across the water to make such purchases as they require.

The Republican Party regards Schedule K in the Payne-Aldrich bill a necessary measure to protect American industry, and insists that it is for the benefit of the American workingman.

Tallyrand once said: "Language is used chiefly to conceal thought." Our Republican friends have developed into past

masters of the art of using language according to Tallyrand's conception of its use. But the American people have a different idea about the use of language, and they demand that all language—and especially that which is used in our statutes—shall be designed not to conceal but to express thought. The language of Schedule K, while it is said to be intended for the protection of American industry and American labor, in fact permits the plunder of the public by the Wool Trust.

It might be interesting to observe that the total number of people engaged in woolen-manufacturing industries in the United States, according to the census of 1905, was 179,976, and of this number 12,913 were children under the age of 16 years. Is it justifiable on any ground, let me ask—economic, patriotic, humanitarian, or any other conceivable ground—that 22,000,000 people should be taxed from 79 per cent to 99 per cent on all the woolen goods they buy in order that the wool-manufacturing industry in America should live?

Is such a tax necessary in order to protect the woolen industry? And from what is it to be protected? Will your answer be the "pauper labor of Europe"? If so, I must ask that you be more specific. Please designate the country from which this "pauper labor" comes. You can not mean Germany, because Germany has a tariff as prohibitive as our own, and according to your philosophy pauper labor can not exist where a protective tariff obtains. The same may be said of France and Italy and, in fact, of every country of Europe with the exception of England. But there is another reason why you can not designate the country from which this so-called "pauper labor" comes, and that is that you dare not stand upon the public platform in your congressional districts and specify the pauper labor of Germany, because every son of the fatherland knows as well as you know that there is no pauper labor in Germany that the American workingman need fear; and to designate Italy, France, or Great Britain as the country from which pauper labor emanates would be to insult the intelligence of the German, French, Italian, or British American citizen, and would doubtless result in the loss of his vote to the Republican Party. The "pauper labor" of Europe argument is becoming as hollow sounding and insincere as the timeworn argument, "the foreigner pays the tax."

But let us take another view of this tariff proposition as it applies to the woolen industry. That being the best protected industry in America, according to the Payne-Aldrich bill, it would be logical to suppose, if protection affected wages, that the wages of the woolen-mill employees would be the highest in America. But such is not the fact. The disclosures resulting from the investigation that grew out of the Lawrence strike exposed the horrible conditions under which the employees of the woolen mills live, and the fact was there established that they are among the poorest-paid employees in America. On the other hand, if we look for the best-paid employees in America, we must go to an industry that is in no way connected with tariff bills or schedules. The men employed in the building trades are among the highest-paid employees in the United States, and their wages are not due to a protective tariff, but to their intelligence, their experience, their efficiency, and the strength of the trades-unions.

Yet, under the guise of protection to American industries, the American farmer and workingman is taxed from 79 per cent to 99 per cent on all the woolen yarn, woolen underwear, woolen dress goods, and ready-made suits he buys to protect an industry that employs nearly 13,000 little boys and girls under the age of 16 years. Thirteen thousand little boys and girls are being sacrificed on the altar of corporation greed, are being exploited by woolen manufacturers, are being—

Made to lose the freedom of the sod,
And, like a colt, for work be shod.
And made to tread the mills of toll
Up and down in ceaseless toil.

And all this in order that the wool manufacturer might worship his golden calf.

I heard the gentleman from Pennsylvania [Mr. HULINGS] say that there were many good features in the Underwood bill for which he would like very much to vote, but that there were some features to which he had objections and for which he would not vote. I agree with the gentleman from Pennsylvania that there are some features in this bill which are not exactly as they might be. There are schedules in this bill which, in my judgment, are still too high; but I want to say to my Progressive friends that when they compare the good features of the bill with what they are pleased to consider objectionable features they will find that the good points far outweigh the objectionable ones, and that is more than can be said for any Republican tariff bill that was ever passed. They were all bad, but some parts were worse than others. You gentlemen of the Progressive

Party must not expect us to present a perfect bill; you exact too much of us when you ask us to correct all the wrongs of 50 years of Republican misrule in a single legislative act.

It has been frequently asserted by gentlemen on the other side of the aisle that the tariff is not the cause of our high cost of living, but that the increased cost of distribution is responsible for the high cost of living. I concede that the cost of distribution has materially increased in recent years and that it has manifested itself upon the cost of all the necessities of life, but this increased cost of distribution is directly traceable to the high protective tariff. All prices under the protective system are artificial—the price of distribution as well as the price of the commodity.

Protection is nothing more than a promise to secure for the manufacturer of a commodity a price for his product that the consumer would not otherwise pay, and every dollar added to the price of a commodity in tariff taxes causes just so much more capital to be tied up in the great work of distribution. If the price of a commodity is increased 50 per cent by reason of a tariff tax, then the amount of capital required of every wholesaler and retailer handling that commodity must be increased in proportion.

The tariff does not protect the distributor; he pays the increased price, and this increase of price enters into every transaction in which that commodity enters. Like watered stock, which adds nothing to the tangible assets of a corporation yet is required to earn dividends, that part of the price of a commodity which is artificial imposes its proportion of burden upon the ultimate consumer just as the watered stock imposes upon the public who must pay the dividends its unnecessary public burden, and the artificial proportion of the price of a commodity is passed from the wholesaler through all the processes of distribution to its last victim, the ultimate consumer. This artificial price, which requires the use of more capital, does not increase the amount of labor performed, does not increase the number of employees in a given industry, and accomplishes nothing by virtue of its increase of cost which could not be as well accomplished, and perhaps better so, if the price were determined by competition and not be arbitrarily fixed by a prohibitive tariff.

But, Mr. Chairman, there is another feature of the protective system that is worthy of our attention at this time—in connection with the wool schedule in particular. I have heard it said, and doubtless others in this House have heard it stated also, that very little, if any, of the goods now on the market labeled "wool" is, in fact, all wool. Shoddy, nolls, and vegetable fibers are said to be large constituents in what now passes for pure wool and is charged for as such. This is another of the many evils of a prohibitive tariff. It enables the manufacturer to foist upon the consumer a cheap, inferior article, and the consumer must accept it and pay the price asked, since there is no competition.

Mr. Chairman, this bill carries with it a feature that no patriotic citizen can well refuse to support. Under our direct system of taxation the surplus wealth of the country was escaping its just burden for the support of the Government, which lay heavily upon the great consuming masses of our people.

The income-tax clause of the pending tariff bill marks a new era in our fiscal system.

It may be true, as some on the other side of the aisle assert, that the income tax will prove obnoxious, but if it does it will be obnoxious only to those who have for years been escaping their just burden of taxation and are still unwilling to accept the new order; it may be an expensive way to collect taxes, but if it is it will be because those who ought to pay throw obstacles in the way of its collection; it may be inquisitorial, but if it is it will be because those who have for years been enjoying the sheltering shade of the protective-tariff wall are now unwilling to come out into the open and contribute their just share to the support of that Government which for years has lavished its favors upon them.

The enactment of the income tax and a reduction in tariff duties is but responsive to an awakened public sentiment and an aroused public conscience.

Never again will any political party have the hardihood to perpetrate upon the American people the outrages that were inflicted upon them by the Dingley and Payne-Aldrich tariff bills. The false theories of protection are gradually being exploded. That the foreigner pays the tax; that a protective tariff produces revenue; that protection, so called, protects the American workingman against pauper labor of Europe are gradually being thrown into the dust heap of oblivion with all the other follies and hobgoblins that progress, truth, and education have turned their searchlight upon and made to vanish.

I would not have anyone infer from what I have said here that I am an advocate of low prices, but when the cost of living increases out of all proportion to the increase in wages the system which permits such conditions to exist must be changed.

According to the bulletins of the Department of Labor, the wholesale prices of farm products had increased in 1907 over the prices of 1896, 75.01 per cent. Food had increased in price during the same period 40.06 per cent. Clothing had increased in price during that period 38.08 per cent, while wages had increased only 29.02 per cent. Farm products had increased in 1912, 118.08 per cent; food, 66.05 per cent; clothing, 32.02 per cent over the price of the same commodities in 1896.

This lack of proportion is due in large measure, if not entirely, to the evils resulting from the protective system and the extremes to which it has been carried.

In delivering his message to Congress on April 7, the President said:

We have seen tariff legislation wander very far afield in our day—very far indeed from the field in which our prosperity might have had a normal growth and stimulation. No one who looks the facts squarely in the face or knows anything that lies beneath the surface of action can fail to perceive the principles upon which recent tariff legislation have been based. We long ago passed beyond the modest notion of "protecting" the industries of the country and moved boldly forward to the idea that they were entitled to the direct patronage of the Government.

This language has no weight with our Republican friends, I know; but I will quote to them the words of one who once had weight with them, and if his words have no weight with Republicans now it is because the Republicans of to-day have wandered far afield from the principles that actuated their great leaders of the past.

The words I am about to quote were uttered by one who graced these Halls with his presence, and many a time did these corridors ring with his eloquence and might. He lives to-day, and will forever, in the loving, patriotic memory of his countrymen. He was the second of our three martyred Presidents, James A. Garfield.

On April 1, 1870, the House being in Committee of the Whole, having under consideration a bill to provide revenue, Mr. Garfield said:

I hold that a properly adjusted competition between home and foreign products is the best gauge by which to regulate international trade. Duties should be so high that our manufacturers can fairly compete with the foreign products, but not so high as to enable them to drive out the foreign article, enjoy a monopoly of the trade, and regulate the price as they please.

This is my doctrine of protection. If Congress pursues this line of policy we shall, year by year, approach more nearly to the basis of free trade, because we shall be more nearly able to compete with other nations on equal terms. I am for a protection which leads to ultimate free trade. I am for free trade which can only be achieved through a reasonable protection.

Yes, Mr. Chairman, we have wandered far afield in tariff legislation in recent years, and an aroused public conscience has summoned those who are charged with the responsibility of legislation to lead the way back to the trail that was blazed by the founders of the Republic. We must make the Government be the servant of all the people; in the levying of taxes we must have regard to proportion and the ability of the taxpayer to pay; we must permit no man who enjoys the benefits of our Government to escape his just share of its responsibilities. We must assess taxes with a view to maintaining the Government and not with a view to giving any class of our population undue advantages over any other class. Class legislation must be avoided if the Republic is to endure.

I have heard much talk from the Republican side these last few days about a tariff board, and their loud protestations have prompted me to inquire as to how long our Republican friends have favored a tariff board. I find that in their national platform of 1904 they say no one but the Republican Party is competent to deal with the tariff. In 1908 they are silent on the proposition of a tariff board, and in 1912 the tariff board is mentioned for the first time in a Republican platform. In 1904, when they were in full power and possessed of much conceit, they would not notice a tariff board, but after they were driven out of power in the House of Representatives in 1910, and with defeat staring them in the face in 1912, in a last desperate effort to win back that public confidence which they had abused and to try to stem the tide of popularity which Mr. Roosevelt and the Progressive Party were developing they went on record in their national platform of 1912 as being in favor of a tariff board, to be appointed by the President or Congress. The American people went on record also in 1912 in favor of a tariff commission of their own choosing. That commission, chosen by the people and responsible to the people, consisting of a Democratic House of Representatives, a Democratic United States Senate, and a Democratic President of the United States, have presented their bill for the revision of the tariff downward; that bill has

been received by this House and the country with approval, and the people eagerly await its enactment into law. The Democratic Party was commissioned by the people to do what the Republicans promised to do and failed of doing. We propose to redeem our pledges to the people. Under the pending bill, when enacted into law, the entire American people will prosper, American industries will thrive, and the croaking of the pessimist will be silenced by the hum of industry and the whirling wheels of commerce. We are about to enter upon the greatest period of peace, prosperity, and plenty that our country has ever known.

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, I yield to the gentleman from Illinois [Mr. COPLEY].

Mr. COPLEY. Mr. Chairman, I believe that, with the exception of some question which involves the honor of this Nation and its people, no problem can come before this Congress which more vitally affects the welfare and the well-being of the people of our country than the tariff, the fiscal policy of the Government, in so far as it makes for the prosperity of all our people. I find most eminent authority for this opinion. In the last number of a prominent American magazine the distinguished President of the United States himself expresses the idea that it is absolutely essential for the general welfare of all peoples that they should be well fed, well clothed, and adequately housed. In other words, that it is the prime function of government to legislate in such manner, if possible, that the great body of citizens shall prosper.

UNSCIENTIFIC ARRANGEMENT OF DUTIES.

I will not take your time in an extended survey of the history of tariff legislation in this and other countries, nor am I going to impose upon your patience by attempting to review, item by item, House bill No. 3321. I frankly confess my inability to do this, and I marvel at the mental grasp of a committee of my colleagues who, giving but a few hours a day for a comparatively brief period, have been able to satisfy themselves that the duties levied by this measure are fixed at such a figure as promotes industry and prosperity in this country to the highest degree.

All the more I marvel when I consider that these same men have the same routine, time-consuming, nerve-devouring tasks to perform for the benefit of the people of their respective districts which my own constituents ask of me. But even this wonder vanishes and blends into a much greater one when I consider how a caucus of a great party meets and reads over this bill, item by item, probably the first time that one out of ten of you had ever seen it, and after each man has presented the needs for some modification in behalf of the particular industries of his district, you all finally agree that it was just right as it was presented to you and join unanimously in handing this bill on to the House of Representatives as your party's panacea for all the ills from which the good people of this country are suffering.

As a patriotic American I share with you in your hopes that this bill will be followed by general prosperity, although my business training and a lifetime study of industrial conditions raise in my mind a very grave and considerable doubt. I would feel more confidence, and I think this would be shared generally by the people of this country, if we knew the facts from which your conclusions are drawn. So far as I am able to see, the majority party in caucus finally expresses its confidence in the judgment of their colleagues who make up a majority of the Ways and Means Committee, and that committee, to the best of my knowledge and belief, in turn expresses its confidence in the distinguished chairman.

Now, gentlemen, I am ready for the test. If my theories of a lifetime have been wrong I shall be only too glad to acknowledge it, but believing in them, as I do, and knowing that they are shared by more than 80 per cent of the people of my district, I should feel recreant to my trust did I not register a protest against this or any other bill on a subject so vital to the welfare of all of them, which was prepared by a few men, in hearings which were practically secret, and without the aid of unprejudiced, nonpartisan experts of the highest character and ability, who had access to all the resources of this Government and had in their employ engineers, agriculturists, and accountants of ability and established reputations for fairness; in short, if the bill were based on information provided by a tariff commission, similar to the one legislated out of existence by the Democratic majority of this House last year, and for no other reason than that its findings disproved all the preconceived theories which your party has maintained practically ever since its foundation, findings that, in my judgment, will again be

reaffirmed by the effect of this tariff bill on the industrial prosperity of this country.

EFFECT OF BILL VITAL.

I am sure that each Member of Congress recognizes just as fully as I do the fact that this bill itself is vital, and on its success or failure rests the future of the political party now in power. At this point my wonder merges into admiration for your courage. You are certainly staking the future of your party on this bill. I do not know that you could really help it. You were ordered to do it by your party platform. This was indorsed by a doubtful 42 per cent of the voters of this country, while the platforms of the Progressive and Republican Parties, demanding the principle of protection on exact and scientific information, based on the findings of a tariff commission, was indorsed by over 52 per cent of all the voters of this country. Your imperative orders find their source from a political party hopelessly in the minority among the voters of the country.

REAL PROBLEM.

The problem which confronts you is a delicate one at best—to increase the purchasing power of a dollar when measured by the necessities of life and at the same time not to proportionately increase the purchasing power of that same dollar when measured by human labor and human endeavor; in other words, to reduce the cost of necessities without reducing the wages paid to labor at the same time and in the same proportion—to maintain the purchasing power of the worker.

The chairman of the Ways and Means Committee, in his opening speech, while expressing some doubt about the immediate fulfillment of this much-desired condition, seems to assume that the increased cost of living has been made up in great part by the tariff. Another distinguished member of the committee last year, who, unfortunately for the country, is not with us at this time, in a speech on the last day of the last session, cited several instances where the cost of distribution entered much more materially into the cost of these necessities to the consumer than did the tariff.

There are two great divisions of this subject—decreasing the cost of necessities, and maintaining the wages paid to the 85 per cent of our people who must rely on the returns from their labor for their ability to pay for these necessities.

I shall first address myself briefly to the influence of the tariff on the prices of necessities.

RELATION OF TARIFF TO COST OF DISTRIBUTION—ON WOOL.

The report of the Tariff Commission created in 1900 shows conclusively that on woolen clothes the increased cost due to the tariff on raw wool and the tariff on woolen clothes amounted to less than 10 per cent of the price which the ultimate consumer paid for his clothing, whereas the cost of distribution, or the handling from the time it left the manufacturer's hands, including the retailer's profit, amounted to an average of more than 35 per cent of the selling price of a finished suit of clothes. This report is open to you. It is complete, and if you study it you can arrive at no other conclusion. This bill is not going to entirely remove the tariff on a suit of clothes. In effect it will reduce the selling cost between 4 and 5 per cent, providing the entire saving is given to the ultimate consumer—a conclusion involved in very serious doubt.

I take pride in the belief that the district which I have the honor to represent is one of the best and most typical in this entire country. It contains 28 cities, towns, and villages above 1,000 population, and all but 3 of these are less than 5,000. In these 25 I am pretty well acquainted, knowing most of the merchants by name and face, and I am equally well acquainted in at least 30 more villages smaller than these. I am prepared to make this statement, that at this enormous apparent margin of profit on ready-made clothing, amounting to more than 50 per cent of the price at which they purchased it, or more than 35 per cent of the price at which they sell it, not one single merchant for the last 20 years has made anything more than fair wages over and above the interest on the investment in his stock of goods. And in the three larger cities not more than one or two firms in each has made more than a modest competence during that same period of time, and with that same apparent margin of profit. But the ready-made clothing departments of the great stores in Chicago, less than 50 miles distant from any one of these communities, have handed in hundreds and hundreds of thousands of dollars a year profit, and in some instances it runs into the millions.

It is clearly a problem of distribution and not a question of the tariff materially increasing the cost to the consumer.

I am unable to see any way in which this bill is going to make it possible for these small merchants in the smaller communities to handle woolen clothing on any less margin than the present, which affords them merely a living, unless this entire

tariff scheme of yours is followed by a beating down of the standard of living of the small merchant and his family, as well as the artisan, in this country to a point where it more nearly corresponds to that in vogue in the principal countries of Europe.

The Tariff Commission's report on cotton shows exactly the same conditions. In the case of cotton cloth we have in this country a specially cumbersome, expensive, and, I think, unnecessary system of distribution, and yet I can not find any one item in this bill that will tend to reduce the cost of distribution under the cotton schedule, unless again the merchants handling that commodity are beaten down to the standard which satisfies men engaged in similar lines in England and in Germany. The merchants in the small towns in this country are able-bodied men. They have tried to follow the merchants in larger cities in fitting up attractive little stores. They give their entire attention to their business, whereas the same line of goods in the European countries are handled in much smaller, much less pretentious shops, kept by the wives and children—the nonwage-earning members of the family.

RELATION OF TARIFF TO COST OF DISTRIBUTION—ON MILK.

Take the item of milk. The splendid little city of Elgin is located in the district which I have the honor to represent. Elgin gives its name to the great dairy interests of the Middle West. Only the first of this month the milk producers of that territory were in a contest with the milk buyers as to the price which they should receive for milk on the farm. The buyers offered the price of last year—\$1.40 per 100 pounds. The producers demanded \$1.50. The price which the buyers offered would average a fraction under 3 cents per quart; the price which the producers asked would average a little less than 3½ cents per quart. And yet this same milk is retailing at 8 cents per quart in Chicago, less than 50 miles distant. If the buyers' price had prevailed, it meant that they would add 100 per cent to their cost on the farm to cover the costs of their distribution and their profits for the same, or 62½ per cent of the selling price would be used for that purpose, representing the cost of handling after it had been delivered from the farm. The duty on milk under the Payne-Aldrich tariff bill, now prevailing, is one-half cent per quart. I doubt if any of that duty is added to the cost of milk anywhere; yet if it is all represented it would mean only 6 per cent of the ultimate cost to the consumer, while the cost of distribution amounts to 62½ per cent of that cost.

When I was a boy in all the small towns a considerable percentage of the people of the neighborhood kept one or more cows. The father of the family usually did the milking after his day's work was done, unless, perhaps, he had a boy old enough to be drafted for this purpose and not old enough to organize a successful rebellion. The neighbors sent their children for the milk. They took it home in tin pails and pitchers, which had not been previously sterilized. The milker himself did not have a cement floor in his barn, as is now demanded, and he did not take the time to have his hands manicured before sitting down to milk. The milk was not kept at a low temperature and was not put into separate bottles previously sterilized and sealed with germ-proof caps.

The manager of one of the great milk-distributing firms told me only a few weeks ago that their average breakage in bottles alone cost them more than one-fourth of a cent on each quart of milk sold.

The system of milk distribution in the great cities is also unnecessarily expensive. The general manager of the firm making the largest amount of machinery designed for the purpose of handling milk and cream told me last January that as he left the building in which his apartment was located that morning there were six milk wagons standing in front and the driver of each was scurrying through the building carrying only one or two bottles. This is manifestly a most wasteful system of distribution, but it is the legitimate working out of an economic competition—the battle of wits.

I venture the statement that 1 cent per quart could be cut from the price of milk delivered in every large city in this country if the system of distribution were arranged so that there was not an unnecessary duplication of capital and labor.

Take the question of dressed beef. The present tariff is 1½ cents per pound, and yet beef went up the equivalent of more than 3 cents per pound in the Chicago markets inside of 60 days last year. This must show conclusively that the tariff has little, if anything, to do with the cost of beef; otherwise, foreign dressed beef would have come into this country the minute the increase in price had passed the 1½ cents per pound. The reason for the high cost of beef is entirely another story and has little to do with the present discussion.

The fact is that the cost of milk, butter, eggs, poultry, beef, mutton, pork, potatoes, carrots, onions, beans, cabbages, and other vegetables are less on the farm in this country than in any civilized country with which we compete industrially; and yet when they reach our homes they cost very much more. It is a problem of distribution. No tariff commission will be doing its full duty to the country unless it follows the lines laid down by the last one, and traces every single item from its very beginning to the ultimate consumer and shows the cost at every stage.

RELATION OF TARIFF TO COST OF DISTRIBUTION—ON CHINA.

Let us take some of the articles that are not in such general use and see what per cent of difference the tariff makes in the selling price of those articles. I have in my hands two plates. I know that a dozen plates exactly like this I have here were sold by one of the principal dealers in Chicago less than three years ago for \$44. I know that a dozen of exactly these same plates are sold by the American commissary in Colon to the employees of the Government there for \$14.

Mr. MURDOCK. Are those the identical plates?

Mr. COPLEY. The identical plates. But there is no duty paid on them on the zone. The commissary pays \$11 per dozen for these plates in England. The dealer in Chicago can buy them just as cheap. The duty of 60 per cent adds \$6.60. He can lay them down in Chicago for less than \$18 per dozen and yet he sells them at \$44 per dozen, an apparent profit of \$26, or an increase of 144 per cent over the entire cost, including the duty, or 60 per cent of the entire selling price goes to pay the cost of distribution. The duty of \$6.60 is only 15 per cent of the selling cost of these plates. The cost of distribution in this instance adds four times as much to the selling price as does the tariff.

Here is another plate which cost the American commissary \$12 per dozen, or \$1 apiece. The duty on this grade is \$7.20 per dozen. They can be laid down in Colon for the American commissary at less than 80 cents additional per dozen, or they can be laid down in New York City at less than \$20 per dozen, including duty. I have a letter from a very prominent dealer in New York offering to replace these plates at \$60 per dozen. He figures his cost of distribution to be \$40 per dozen on these plates, or 200 per cent added to their total cost to him laid down in New York, or exactly 66 2/3 per cent of the entire selling price is represented by his cost of distribution. The distribution in this instance adds five and one-half times more to the cost to the ultimate consumer than does the tariff. These articles are not produced in this country and consequently the entire duty is added to their cost. In the case of milk, as I have shown, there is probably nothing added for the tariff. In the case of clothing and cotton goods, and other things in which there is local competition in this country, some percentage of the tariff is added to the cost to the ultimate consumer, and it is worth our while to have figured out for us by a competent and disinterested board just exactly what percentage this amounts to in the various articles of common use by the masses of the people.

Fifty-two per cent of all the men who went to the polls and voted last November indorsed that principle; yet you gentlemen are overlooking that fact and are following a doubtful 42 per cent. When I call them doubtful it is for the reason that many of the Democrats of the North are protectionists at heart. In addition to this, the President undoubtedly received a very substantial number of votes from men who always want the highest kind of a tariff irrespective of the facts, because they were actuated by a fear lest a certain distinguished gentleman, whose methods have not always pleased them, might possibly be elected to the Presidency. Many of these voters are well meaning, but nearsighted. They thought that the specter over their shoulder was the evil one himself. Instead, he is actually offering them and all the rest of the people of this country industrial prosperity on the basis of a square deal for everybody. [Applause.]

Briefly, this shows the difficulty of materially increasing the purchasing power of a dollar unless you remove the duty from those articles which are not produced in this country.

EFFECT OF H. R. 3321 ON WAGES—ON STEEL.

Now, let us look at the other side of the question, the probability of maintaining wages; in other words, at the same time holding up the purchasing power of that dollar when measured by human labor.

Take the question of steel: I submit herewith a statement of the comparative wages paid in this country and in England and Germany, showing that the labor cost of the finished product in Pennsylvania and Ohio exceeds the labor cost in England by approximately 44 per cent and exceeds that in Germany by more than 60 per cent.

Let me here quote from the President's address, on page 132 of the CONGRESSIONAL RECORD of April 8, 1913:

The object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

It must be apparent to each of you that while we are whetting our wits the rest of the world is also whetting its wits, and if the iron founders of the competing countries have the same intelligence, if they have whetted their wits against ours, if they use the same type of machinery which we have, either they must increase their labor cost to equal ours—an inconceivable hypothesis—or we must decrease our labor cost to equal theirs, not only if we are going to compete in the markets of the world, but if we are going to hold the American market itself against outside invasion. Everything else being equal, matching wits and finding equal intelligence, we must match the prices paid for labor if we are going to continue to compete in the general cost of the finished product.

ON WATCHES.

Take the item of watches: The American watchmaker receives on an average just about two and one-fourth times as much as the watchmaker of Switzerland. Now, if we match only our wits against the wits of the watchmaker in that country, and he uses the same type of machinery as we do, with the lesser wages which he would have to pay, there can be no question as to the fate of that industry in America.

ON TYPEWRITERS.

Typewriters—another industry which uses highly skilled mechanics. The Remington Typewriter Co. maintains plants in the United States, England, Germany, and France, and in the United States averages paying just about twice as much in wages. In this case it does not become a battle of executive wits. These plants are owned by the same people, managed by the same minds, and must necessarily produce the typewriters that are sold in America in whatever country that will put them down in the distributing centers of this country at the lowest figure.

REAL EFFECT ON LABOR.

I will not weary you by going into the balance of the schedules. Some men who are now making boots and shoes in America will find themselves out of employment; so will some men who are manufacturing woolen goods and cotton goods, who are manufacturing steel and watches and typewriters. These men whose occupations in this country are gone will be unable to follow the industry to the other countries. They and their families can not possibly obliterate themselves from the face of the earth. They must live, and the only avenue left is to try to get the job of some other man. The most natural thing would be to attempt to get a place in the same line of industry in which they are trained. That makes two men bidding for one job. There can be but one result. The law of supply and demand, to which the chairman of the Ways and Means Committee referred in his speech, governs labor in our present scheme of society just as relentlessly as it does any other department of trade. Prices will be reduced and will be followed by some men being driven from employment in that particular line. Then they will attempt to secure work in some other line, and again wages will be reduced and the purchasing power of all these men will be very much lessened. The farmer and the producer will find his prices reduced. You gentlemen of the majority are going to find the cost of living cut, and you are going to find the purchasing power cut to an equal and probably a very much greater degree.

EFFECT OF H. R. 3321 ON COST OF LIVING.

The cost of living is a relative expression. It makes no difference whatever to a man what he has to pay for the necessities of life when viewed from that standpoint alone, and equally it makes no difference to him what the remuneration for his labor amounts to when viewed from that standpoint alone.

The relation between these two makes all the difference in the world to him. In other words, it is his balance sheet at the end of the day, the month, or the year. Are his wages sufficient to properly nourish and clothe his family and himself? Have they been adequately sheltered, have the children been kept in school, and is some balance left over for the savings account at the end of the year? This is the true measure of success or failure of the tariff, and this is the yardstick which the people of this country are going to apply to House bill 3321.

There are approximately 7,000,000 men in this country who derive their principal income from the farm. Excluding the comparatively small percentage engaged in garden and truck farming the balance of them are producing articles which must either find a market in this country or else they must be thrown

onto the markets of the world. Each country has its own particular market place for the various kinds of commodities. For instance, Chicago is the American market for wheat. Liverpool is the world's market for the same commodity. Whenever all the wheat that is produced in this country is consumed by our own people the farmer gets the Liverpool price at Chicago, and 7,000,000 men and their families in this country, or practically 35 per cent of all our people, are made more prosperous by the difference in freight rates between Chicago and Liverpool, which has been saved to them by the home market. When they are prosperous they buy more freely of the wares fashioned by the artisan as he works at his bench, and he has in consequence more hours of work and a pay envelope bringing in every week more money and more ability to buy the products which come from the farm and which tend to keep his family and himself in the best possible condition.

H. R. 3321 FAVORS COTTON GROWERS.

May I refer to the agricultural economic condition as it affects the Democratic Party, or rather as it is affected by the Democratic Party? You represent more than a century of specializing in a certain agricultural line in which you practically have no competition with the rest of the world, and it is true it makes very little difference to you where your cotton is spun into fabrics. You practically control the world's market for raw cotton. You and your constituents may be individually benefited by the removal of all tariff duties, thus enabling you to buy all your supplies cheaper without materially reducing the value of your principal agricultural product, but the value of your product is less than one-seventh of the value of the total agricultural products of this country, and the benefits which you receive by the reduction in the cost of other necessary articles probably would not be materially offset by a reduction in value of your cotton on the farm.

But how about the Democrat who represents Ohio, Michigan, Missouri, Colorado, Illinois, and all the other States where sheep are produced when the duty is removed from wool? How about the Democratic Members of Congress from States where they grow cane sugar—Louisiana, Georgia, and Texas—and where they grow beet sugar—Colorado, California, and Michigan? Can the same thing be said with equal truth of them? Why, 40 per cent of all the cotton cloth manufactured in this world is manufactured in Great Britain, about 20 per cent in the United States, and 10 per cent in Germany. A reduction in the tariff that would affect the prosperity of 60,000,000 or 65,000,000 of the people in the Northern and Western States would, to a small degree only, curtail the buying power of cotton goods in the world, probably not more than 2 per cent, and such a trifling decrease in the value of the entire world's demand would be met by a decrease in the production of raw cotton at the points where it costs most to produce it—India and Egypt. I want to compliment the gentleman from Alabama, the distinguished chairman of the Ways and Means Committee. He is certainly providing for his own in this bill, and so far as it has worked its passage he has engineered it through the House with apparently the same delicate tact which overcame all obstacles in the committee of which he is the head and also in caucus. House bill 3321 clearly reestablishes not only in America but in the entire world the old kingdom of cotton. There would be no Democratic Party but for the cotton-producing States. You have more than enough sure electoral votes to furnish a majority of the number necessary to elect a President. You dominate every Democratic national convention and you dominate every caucus of the Democratic Members of Congress. You are the only reliable Democrats, and the economic value of your natural, world-wide monopoly in the growth of raw cotton has made you free traders. Why, when the great leader of the Progressive movement sought to break into your "solid South" he made only one mistake. You gentlemen are not Democrats because of sentiment; the reason is economic. Your raw cotton will bring as much and will not cost as much for labor and certainly not for jute and steel bands with which to cover and bind your bales. You will save a little something on your woolen clothes and a little something on your finished cotton cloth. You will save some more on sugar, for sure, unless the trust swallows it up. You will be able to buy your agricultural implements a little cheaper, and your mechanical cotton pickers—if they ever do come—will be made in Germany or England, and your labor will also be under much better control.

INCOME TAX.

This bill is really a freak of the intellect. It carries two ideas on the same trunk—one almost a free-trade tariff, the other a graduated-income tax. You Democratic gentlemen have been very clever in this. You are putting men who do not agree with you on the tariff, but who do agree with you on the principle of a graduated-income tax, in a serious dilemma. I have

always believed in such a tax; the principle is correct. It places the burden of taxation on the shoulders of the people who are best able to bear it. All governments are established for the purpose of guaranteeing security to life and security in the enjoyment of property or an income. The graduated principle is absolutely sound, because, in addition to placing the burden on the shoulders that can best bear up such a tax, it also places it on the shoulders of the people who enjoy most that stability which our Government guarantees to property. Take the humblest workman and the richest man: The Government guarantees to each his life, and it is of equal value to the two egos. It guarantees to each the enjoyment of his property and his income, but I do not think any man in this Chamber will tell me that such a guaranty is enjoyed by both men in equal part. This bill is by no means as radical as I would wish, and I shall take the opportunity to attempt to amend it when we come to that section under the five-minute rule. However, this beginning is in the right direction, and I shall not vote against it. Like everyone else here, I have always thought it cowardly to dodge a vote; but I will not vote against that income tax, nor any other. It is the only way we can get a start. Nor will I vote for that tariff bill nor any other like it; and I am going to choose that which appears on the surface as a coward's position. I am going to refuse to vote one way or the other on that bill combining those two principles; and I will say to you that whether or not it takes courage for a man to be a coward, I am going to leave that to the individual judgment of each Member of this Congress. However you decide on this question, I myself am thoroughly resolved that if I am alive and well I will be in my seat when this bill is voted on and will vote "present," as being the only way in which I can conscientiously express my sentiments on a double-headed bill of this sort, one half of which meets with my entire approval and the other half of such a nature that I could never vote for it.

GRADUATED INCOME TAX THE REAL SOLUTION.

My own opinion is that a protective tariff is absolutely necessary for the industrial prosperity of the 85 per cent of the people of this country who work for a living, and if it could not be exactly equitable I would rather have it too high than too low. With the income-tax amendment read into the Constitution of this country you have in your hands the greatest equalizer of the inequities that have followed the tariff or any special privilege that has been put into the hands of a legislative body. I agree with you that the present tariff law brings in many inequities, but I do not believe you are curing them with this bill, for I think it is the poison of industry. But I do believe that you could cure them by a properly adjusted graduated income tax. I believe it to be a remedy that could be used in conjunction with a protective tariff, but I do not believe that it will prove an antidote to the industrial poison of free trade. It is absolutely necessary to gather in this country wealth if we are going to distribute wealth equitably among our people; and that the tariff has assisted in the gathering of wealth is perfectly evident from a study of the census decade by decade since the system of protection has been the guiding principle of our fiscal law. That it has been equitably divided I do not claim. I do not believe it has. The only civilized country that now adheres to a free-trade doctrine is England, and there is more hardship and want and suffering and pauperism in free-trade England than in any other country on the face of the globe. They have tried the income tax, but it does not remedy the trouble. The fact is no adequate remedy will ever be found that does not provide prosperity for the great mass of the people. President Wilson was right—a people must be prosperous if they are well governed—and if House bill 3321, carrying his sanction, makes for the general prosperity of the masses of our people, he ought to have the unanimous indorsement of all political parties; and if it fails, he and you know the penalty. [Applause.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Ohio [Mr. WILLIS].

The CHAIRMAN (Mr. O'Hair). The gentleman from Ohio is recognized.

Mr. WILLIS. Mr. Chairman, I do not know whether I shall use all of the time which the leader of the minority of the Ways and Means Committee has so generously assigned to me; but in the time that I shall speak I want to say something about some of the provisions of this bill and something about the general policies that are involved in its consideration. In the first place, I want to say that with much that my friend from Illinois [Mr. Copley] has said I agree. I agree with him in what he has just said in favor of a protective tariff. I think, Mr. Chairman, that the industrial history of this country has demonstrated beyond question that that system of tariff that we call the protective system is necessary for the maintenance

of the continued welfare and prosperity of the Republic, so that in that regard I am in entire accord with the gentleman from Illinois who has just spoken. I agree with him that we ought to have a protective tariff. I agree with him, secondly, that that tariff ought to have such rates as will equalize the difference in the cost of production at home and abroad. I agree with him in the third proposition, that that difference in the cost of production at home and abroad should be ascertained not by the quasi investigations that may be carried on behind the locked and closed doors of a caucus room but upon the findings of a tariff board or a tariff commission. [Applause on the Republican side.] I agree with him in another thing—and I think the great majority of the American people are in agreement upon that proposition—and that is that the time has passed when successfully any political party in this country can legislate in secret caucus by dark-lantern methods. [Applause.]

I am in agreement with my friend upon that proposition. I agree with him upon another proposition. For many years I have been in favor of an income tax. I am now in favor of an income tax; but here is where I part with my friend. I would be glad to vote for a reasonable income tax; and in saying that I think I am announcing good Republican doctrine, because there could not have been and would not have been any opportunity to vote in this House for an income-tax law had it not been for the action of a Republican Congress. Therefore, I do not think I am guilty of political heresy in saying that I am in favor of an income tax; but here is where I part company with my friend. It seems to me that the tariff provisions of this bill are so unfair, so unjust, so unwarranted, so unreasonable, that I can not bring myself to the point where I think I would be serving my constituents simply by sitting quietly by and voting "present" when this bill is put upon its passage. I feel that I can not discharge that duty other than by registering, as I shall do, my vote, and, so far as I am able to do so, my voice against any such legislation as this. [Applause on the Republican side.] The gentleman from Illinois [Mr. Copley] referred to another very important proposition which I hope to discuss a little later in my remarks, and that is the influence of local custom in the retail trade, so far as prices are concerned. We talk here and upon the hustings a great deal about the tariff. We say much about its influence upon prices—and it has an influence—but the fact is, Mr. Chairman, that there are other forces at work that perhaps have as much to do in shaping prices in this country as does the tariff. I refer to the peculiar custom of local trade.

Complaint is registered against the American farmer, and in this bill the things he produces are upon the free list, or rates greatly reduced, upon the theory that because of the fact that in the past few years he has received fairly remunerative prices that the expense of the product to the consumer is thereby increased. Complaint was made here the other day by the distinguished gentleman from Alabama because, as he said, the price that the farmer was getting for his product had increased some 93 per cent since 1897. The farmer was and is entitled to this increase. I want to say, Mr. Chairman, that the increase in price, the high cost of living, so-called, does not come to any considerable extent from the increase that has come in the price that the farmer gets for his product. The fact is that the big increase in price comes from the time that the products leave the hands of the farmer until they reach the hands of the consumer. Just an illustration, and I will come to that more fully a little later, but as an illustration of that proposition I live in a section of the country where we have great onion fields, perhaps the greatest in the country, 5,000 acres in a single county. I happen to know that this is true—and I got the facts from a careful investigation made by the Department of Agriculture—I happen to know that of the price the consumer of onions pays in New York or Philadelphia or Boston when he buys them by the peck, the farmer back in the eighth district in Ohio, who owns the land or rents it, who buys the seed, who hires the labor, who contributes his own efforts, who runs the risk, the farmer who plants the crop and tills the crop and finally harvests the crop, pulls the onions and sorts them and crates them and puts them on the car, the man who does all that work gets out of every dollar that is paid for onions in the markets of New York, Boston, or Philadelphia only 28 cents; somebody else between the farmer and the market gets the 72 cents. The framers of this bill, presuming to say that they are going to benefit the consumers of this country, are cutting the duty upon onions in half, i. e., from 40 cents per bushel under the present law to 20 cents per bushel under the Underwood bill.

I venture to say, Mr. Chairman, that if this bill shall be enacted into law—as I very much fear it may be—if it should become the law the price that the consumer has to pay is not

going to be changed materially. The price that the farmer gets for his onions will be lowered a great deal, but the change that comes about through the reduction in the tariff of one-half, as is proposed by this bill, is going to be eaten up by the middleman, not by the man who goes into the field and tills and raises the crop, but by the jobbers and the wholesalers—the people who are producing nothing. On the subject of the tariff on onions a prominent Democratic farmer of Hardin County, Ohio, comments as follows in a letter addressed to me:

The proposed tariff bill would destroy our business, and as much soil is only adapted to onions, it would be a great hardship, owing to the cheap labor in the Bermuda Islands. We, of course, could not compete with them. Besides the freight rate from our section is 24 cents per hundred pounds, 30 cents from Indiana points, 30 cents from Michigan points, and 16 cents from the Bermuda Islands to New York, and correspondingly low to all the Atlantic points.

In our product, in fact, nearly all those articles under Schedule G require large outlay for labor and to let those articles to our shores free would entirely destroy the demand for this help, as these articles would come to our shore in the form of finished product, and it would be a loss to our Nation.

Counting the use of an acre of land worth \$12; preparing the ground for seed bed and drilling the seed, \$5; hand cultivating and hand weeding, \$30; fertilizers, \$10; pulling onions, \$4; topping, say, 300 bushels at 3 cents a bushel, \$9; screening and sacking 300 bushels at 2 cents a bushel, \$6; hauling to the cars, at 3 cents per bushel, \$9; use of 300 crates at 3 cents per crate, \$9; moving crates from sheds to field and return, \$2; 5 pounds of seed, at \$1.60 per pound, \$8. This gives us \$101. Our annual crop report gives us 300 bushels per acre as an average yield per acre in all the onion fields. This is about what our section produces. You will notice this gives us nothing for our own labor, and as the man who superintends an onion farm can do little other than watch the detail of his business, one can not grow an acre of onions and support his own family for less than \$120 per acre. The average fall price here in the last 10 years has been 40 cents per bushel. You will note that the cost of producing onions is mainly labor: Cultivating, weeding, pulling, screening, sacking is all hand labor, besides preparing seed bed and hauling away crop. At this very time we are selling onions from 20 to 30 cents per bushel. We are delivering onions in our cities, freight paid, from 30 to 40 cents per bushel. And at this time these same onions go to the city trade at \$1 per bushel and 20 cents for one-half peck. The high cost of living is blamed to the farmer. The fact remains that nearly all vegetables are delivered at the cities at 25 per cent of the prices paid by the ultimate consumer.

And that leads me to inquire, Mr. Chairman, whether the policy that was laid down here by the distinguished and courteous and able gentleman from Alabama [Mr. Underwood] is the correct one in this respect. The gentleman said in his opening remarks in this debate that this bill marked a new era. I think that is true if it shall become the law, a different era, anyhow, and then he went on to say, with his usual eloquence and lucidity, that the time had come when we should cease to consider producers and should consider consumers. Mr. Chairman, that is a very serious proposition. Is this country to take the position that from now on legislation in State and Nation shall be had not for the benefit of the men who toil but for the benefit simply of those who consume? Of course everybody recognizes that these classes are overlapping all the time, but I insist, Mr. Chairman, that if we shall legislate in this country that producers have work, if we shall legislate that the laboring man have a chance to earn an honest dollar by honest toil, if the farmer has a market for his products, if the miner has a chance to dispose of the product of his toil, if we shall so legislate and shape affairs in this country that all the producers are prosperous, that all producers have work, then it seems to me that the question of consumption of goods can be left very largely to take care of itself [applause on the Republican side], and, so far as I am concerned, I totally disagree with the proposition that we are to ignore the producers.

I have stood, and the party to which I belong has stood, and now stands, for a policy that says it is better to have men working here, our own men, beneath our own flag, in our own country, than to have goods produced elsewhere. [Applause on the Republican side.] It may seem high political heresy to some of my good friends on the other side that we should say such a thing as that, but, Mr. Chairman, I can not get that idea out of my mind that somehow it is the duty of the American Congress when it is levying taxes—as it was admitted in a number of eloquent addresses on that side this afternoon that we must levy—that it is wise and desirable and statesmanlike so to levy those taxes as to discriminate in favor of our own people. I believe in American industry, in the American farmer, and the American laboring man. I do not care very much about the industries of Europe. [Applause on the Republican side.] To me it is a matter of shame and regret that at this very moment the highest encomiums that are being pronounced upon this proposed legislation come from the trade journals of Europe. [Applause on the Republican side.]

They are in high glee. They say the good old times are coming back when they were supplying the American market. The trade journals of France and Germany and England are pointing with pride to the probable action of this House. But somehow, Mr. Chairman, I have an idea that it would be wiser if

we were proposing so to legislate as to secure the favorable comment of our own trade journals, of our own people, and to merit the acclaim of our own workmen and our own farmers. [Applause on the Republican side.]

I have before me an interesting though weird political document. It is the platform that was adopted at the convention of the Democratic Party in the city of Baltimore. One plank of that platform reads as follows:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation—

Now, note this—

we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

That is a very careful, conservative, comforting, and reassuring sort of a pronouncement. And then, to make the people of this country feel perfectly confident that the Democratic Party could be trusted on the tariff question, President Wilson felt called upon to say, at Pittsburgh, on October 18 last, the following:

I welcome the opportunity of stating what I believe to be the well-considered position of the Democratic Party with regard to the tariff. It is absolutely essential that we should be entirely frank with one another in the discussion of this fundamental question.

Now, note this, brethren:

The Democratic Party—

Now, this is the official announcement by the head of the party, interpreting the plank in the platform which I have just read:

The Democratic Party does not propose free trade or anything approaching free trade.

I desire to use those two interesting statements as a text for a little bit of exegesis, first, from the platform, where it says:

We favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

And then, secondly, what the President says:

The Democratic Party does not propose free trade or anything approaching free trade.

And then to make us trebly assured that it was all perfectly safe and pleasant and harmonious and happy the gentleman from Alabama [Mr. UNDERWOOD] said, in his eloquent opening address, something about lowering the duty not with an ax but with a jackscrew. And while I can not quote just his language the implication was that by this bill we would be lowering the tariff carefully and slowly, not knocking the tariff all to pieces, not using the ax but letting things down gradually with a jackscrew. Was it not upon that theory that this same Democratic Party told us only 12 months ago that the last word on the subject of tariff on wool was 20 per cent ad valorem, that it was needed as a matter of revenue? That was the proposition then, and yet in view of this proposition that no legitimate industry is to be interfered with, in view of the statement that the tariff is to be gradually reduced and let down with a jackscrew, in view of those two statements a bill is brought in here, I honestly believe, contrary to the judgment of the Democratic members of the Ways and Means Committee, providing that the woolgrowing industry of this country is to be destroyed at one fell swoop on the theory, is it not, that the raising of sheep, the growing of wool, is not a legitimate industry; or is it upon the theory that this statement in the platform and this quotation from the speech of President Wilson were intended, as a good many planks in Democratic platforms are intended, as something not to stand upon but to get in on?

The fact is, Mr. Chairman, that this bill is not in compliance even with the terms of the Democratic platform adopted at Baltimore. If it had complied with it, it would have been bad enough, but it is even worse than that. Without any notice, in the face of implied promises to the contrary, wool is put on the free list, and so is practically everything else that the farmer produces, on the theory that we are to have a gradual, harmless reduction of the tariff.

That leads me to discuss why it is not wise, in my humble opinion, to put wool on the free list, as is proposed in this bill, at the behest, I think, of the President of the United States, and contrary, I believe, to the judgment of the members of the Committee on Ways and Means, although I am not informed as to that. Nobody is informed as to that. The country is not informed about that. The country is left in the dark. We are left to implication and rumors as to what occurred in the dim secrecy of the Democratic caucus chamber.

Here is the first reason why it is not wise to put wool on the free list: I start with the assumption that it is not desirable to wipe out sheep raising and woolgrowing in this country. I

think it means much to this Nation to be able to produce a large proportion of the clothing wool which it uses, and I call attention to this important fact that every time our Democratic friends have undertaken to tinker with the tariff, or every time anybody has undertaken to tinker with the tariff by reducing the rate, the sheep industry and the woolgrowing industry have very seriously fallen off. For example, it seems that somehow, according to the laws of Nature, there is a rate, a natural rate, and if we reduce the tariff below that rate, the sheep-raising and woolgrowing industries will suffer, and unless the rate is changed those industries will probably be destroyed.

Effect upon the number of sheep of 5 experiments during the past 43 years with revision of the wool tariff.

[Whenever the duties have been below 11 cents per pound on wool of the first class, flocks have always decreased, and, on the other hand, when the duties have been as at present (11 cents per pound or higher) they have always increased.]

Year of enactment.	Term of existence.	Rate of duty per pound.	Per cent of increase (+) or decrease (-).
1867.....	Last 4 years of it..	Cents. 12½	+25
1883.....	About 6 years.....	10	-16
1890.....	Less than 4 years..	11	+10
1894.....	do.....	Free.	-21
1897.....	12 years.....	11	+46

Under the act of 1867, during the last four years of it, the tariff rate was 12½ cents a pound on wool. In those four years woolgrowing and sheep raising in this country increased 25 per cent. Then, under the law of 1883, for about six years of that law, the rate was only 10 per cent. The industry fell off in those six years 16 per cent, whereas it had increased in the preceding four years 25 per cent. Under the four years of the McKinley law of 1890, with a rate on raw wool of the first class of 11 cents per grease pound, there was an increase in the woolgrowing and sheep-raising industry of this country of 10 per cent; and then under the Wilson law, in effect only a comparatively short time, something like three years, with free wool, which you are proposing in this bill, that industry fell off 21 per cent. And yet gentlemen affect to believe, or, at any rate, to say that they believe, that the enactment of this bill into law will not injure any legitimate industry!

Well, if that is so, it simply means this: That the teachings of history amount to nothing; that when we come to make a tariff law we ought to reject our experience and consult simply our imagination and our invention. The teaching of history is exactly the reverse of the contentions of the gentlemen who are favoring free wool.

Then under the act of 1897, with the rate the same as it had been under the McKinley law, there was an increase of 46 per cent in the product.

History will repeat itself. If this law goes into effect, mark you, gentlemen, and particularly my friends on that side of the aisle who happen to come from sections particularly interested in woolgrowing, as some of you do, I warn you that the same thing will occur that occurred under the Wilson law.

The sheep-raising industry will be practically destroyed. The farmers who are now engaged in that industry will have to seek other lines of employment, and the question is whether, in the long run, this country is going to be benefited any by that proposition. And I wonder what my friends on that side of the aisle who come from States that do have some interest in the woolgrowing industry are going to say to their people when they get back home and undertake to tell their people about the vote they have cast on this tariff bill when inquiry is made as to why, contrary to every law that we have had for many years, they separated in this bill wool and goat hair. There are other jokers and funny things in this bill, quite a good many of them. I do not know whether attention has been called to this by anyone or not.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. WILLIS. For a brief question. I have only a short time.

Mr. SLOAN. Will it be a sufficient answer to those constituents for them to say that marvelous juicy patronage was exchanged for their votes, and that until their votes were cast attractive and desirable committees were held in abeyance?

Mr. WILLIS. I could not really answer that question, but the suggestion might be very apropos.

Relative to this tariff on goat hair, I wish that every Member of the House would get the tariff hearings on Schedule K, No.

20, January 28, and turn to page 4049, and read there some of the most interesting material that I have ever found anywhere:

EXTRACTS FROM HEARINGS.

The CHAIRMAN. If we separate mohair from wool, we must follow that policy all the way down the line, in the finished products as well.

Mr. ROBERTSON (interposing). That is what we want you to do, Mr. Chairman, and that is what you ought to do.

The CHAIRMAN. If we do that, we have a difficult proposition, although I understand that wool and mohair are never mixed, and that mohair in some respects is a luxury. But it is every day becoming a necessity. There is really no better summer suit in a hot country for a man to wear than a mohair suit. You recognize that?

Mr. ROBERTSON. Yes; it is cheap.

The CHAIRMAN. It is cheap and it is cool.

Mr. ROBERTSON. It is becoming more and more a necessity. I realize that, but at the present time it is a luxury and it ought to be taxed. The rich ought to be made to pay for these things, and the Government must be sustained.

Mr. KITCHIN. Most of the Angora goats are in Texas, are they not?

Mr. ROBERTSON. Yes; most of them in the United States are in Texas.

Mr. KITCHIN. Of course, I meant in the United States. How large is your flock?

Mr. ROBERTSON. We have about 3,000 goats; about two flocks.

Mr. KITCHIN. How much have you increased your flocks in the last five years?

Mr. ROBERTSON. Five years ago we had 5,000 goats; to-day we have only about 3,000 goats.

Mr. FORDNEY. You are one of the Democrats who believe in protection?

Mr. ROBERTSON. Yes, sir.

Mr. FORDNEY. I agree with you.

Mr. ROBERTSON. And I believe we will get it. I believe this Ways and Means Committee will consider our cause. I believe that they will give us a specific duty of 12 cents a pound, and I believe that we can present to the Ways and Means Committee, if not just at the present time, later on, facts and figures that will demonstrate and prove to you beyond the shadow of a doubt that you have no idea and can get no idea under your present law of how much mohair is produced.

Mr. KITCHIN (interposing). Twelve cents per pound is about 40 per cent ad valorem?

Mr. ROBERTSON. Yes.

Mr. KITCHIN. You are cognizant of the fact that the 16 Texas Representatives and the two Texas Senators voted for this reduction last year on mohair?

Mr. ROBERTSON. Yes, sir; I am.

Mr. KITCHIN. Were they acquainted with the facts relative to your industry?

Mr. ROBERTSON. I think not. Even if they were—grant that they—we people are in too small a minority; we are very small.

Mr. KITCHIN. I think you are consistent, Mr. Robertson.

Mr. ROBERTSON. I believe that the Representatives from Texas and the Senators did right, because, as I say, we are a small minority up yonder in the hills. They did not know that we were in existence. Some of them, perhaps, have never seen an Angora goat. They are among the farming class and the cotton-raising class. If I should cut off a lock of this Angora hair, some of them would think it was cotton. If I should put it in a boll they would say, "That is beautiful cotton; it must be Egyptian cotton."

Mr. FORDNEY. You are now speaking of your Texas neighbors?

Mr. ROBERTSON. I am speaking of our Representatives from Texas. I realize, gentlemen, that we are a small minority out yonder in the hills, away out yonder on the bleak hills, where we can not water our stock. We do water our stock when the wind blows and the wind-mills are in good condition.

Mr. KITCHIN. In other words, you believe in having a protection of 12 cents a pound on your raw material, which is leaving it the same as it is in the Payne-Aldrich Act, and that the manufacturers who buy your raw material and produce goods from them ought to have some protection?

Mr. ROBERTSON. Certainly I do; they must have it.

Mr. KITCHIN. You are not like some of these men who want their stuff protected and the other fellow's stuff not protected?

Mr. ROBERTSON. No; it is necessary if they are to prosper.

Mr. FORDNEY. I think you ought to move up to Michigan.

Mr. ROBERTSON. No; if I moved up to Michigan I could not raise Angora goats.

Mr. FORDNEY. But you would be a Republican, all right.

Mr. ROBERTSON. I am viewing the proposition from a Republican standpoint somewhat now, and yet I am a Democrat, and I am pleading for revenue.

Mr. KITCHIN. You are a Democrat from habit and not from principle.

Mr. ROBERTSON. No, sir.

The first thing is an admission by the distinguished chairman of the committee that mohair is not a luxury but a necessity. Then later on in the hearings, which I will not take the time to read, but which I shall place in the RECORD, this gentleman who is arguing for his industry, a gentleman from Texas, by the name of Robertson, goes on to explain how it is that his industry has not received proper consideration heretofore at the hands of the Representatives from that State. Why, he even says in one place that they are unacquainted with the location of his industry. He says here on page 4052:

They did not know that we were in existence. Some of them, perhaps, had never seen an Angora goat. They are among the farming class and cotton-raising class.

Now, listen to this:

If I should cut off a lock of this Angora hair, some of them would think it was cotton. If I should put it in a boll, they would say: "This is beautiful cotton. It must be Egyptian cotton."

That is the opinion that he expressed—I think quite unfairly and wrongfully—concerning the Representatives from his State, because they are all of them of distinguished ability, and one of them—I wish he were here now—is of special alertness and eloquence, always on the job, looking after the interests of his constituents. He is a member of the Ways and Means Committee.

In the laws that we have had heretofore wool and Angora goat hair were in the same schedule, and they ought to be now; but this distinguished, eloquent, and able Representative from the Lone Star State, Mr. GARNER, a member of the committee, always is alert in looking after the interests of his constituents.

I speak of this not by way of complaint; I compliment him for his activity. He saw to it that when this tariff bill was written wool and Angora goat hair for the first time went into separate schedules. I want to refer to that particularly just now. I have before me H. R. 3321, the pending tariff bill. For example, now, let us take the raw material first. The wool that is produced upon the farms of the North is put upon the free list, but if you will turn over to page 77 of the bill, paragraph 314, you will find this interesting item, which separates wool and Angora goat hair. Wool goes on the free list. It was not desirable that the product of the great State of Texas should be thus placed upon the free list, and consequently the gentleman, with his distinguished ability, prevailed upon the committee to make a new arrangement. Consequently on page 77 of the bill you will see this interesting item. While the wool of the sheep is on the free list, this item reads:

314. Hair of the Angora goat, alpaca, and other like animals, and all hair on the skin of such animals, 20 per cent ad valorem.

Do you see the point of that? Then we will go on a little further. Under section 295 we read:

Combed wool or tops, 15 per cent ad valorem.

That is the product of the sheep of the northern farms. But, lo and behold, tops made from the hair of the Angora goat, 25 per cent ad valorem.

Oh, I tell you there is nothing like having a Representative on the committee who takes an interest in his constituents. I do not say that offensively, now, but rather by way of compliment. It is a great thing to have somebody to look after things. The unfortunate thing about it was that the 600,000 woolgrowers of the United States from the northern farms had no one to speak for them amongst the Democratic members of that committee. If there had been a Representative as active in their behalf as was the gentleman from Texas [Mr. GARNER] in behalf of the raisers of Angora goats, no doubt there would have been a different story to tell.

And so it runs all through the schedule. It is wonderfully interesting.

296. Yarns made wholly or in chief value of wool, 20 per cent ad valorem.

But in paragraph 316 you see:

Yarns made of the hair of the Angora goat, alpaca, and other like animals, 30 per cent ad valorem.

So it runs all the way through. It is, according to the philosophy of these gentlemen, necessary and desirable that wool should be put upon the free list, but when it comes to the product of the Angora goat of the State of Texas, even though this gentleman did testify in the hearing that the gentlemen from his State did not know anything about Angora goats and could not tell Angora goat hair from cotton, could not tell a goat from a boll weevil [laughter], yet when it came down to arranging the rate it was shown that the gentleman from Texas [Mr. GARNER] did know about the Angora goat, and he did look after the interests of those who raised the Angora goats. You gentlemen over there from the wool-growing States of the North and from the wool-growing States of the West and Southwest propose to vote for this bill to put wool on the free list and yet to protect the Angora goats that have the good fortune to live in the district so ably represented by the gentleman from Texas [Mr. GARNER].

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. For a brief question.

Mr. NORTON. Does it not look, from the arrangement of the schedule, as if these Democrats from Northern States and from Western States were sent here to Congress to look after the Texas goat rather than their own sheep industry at home?

Mr. WILLIS. It looks to me as if the southern Members had got the "goat" of the northern Members. [Laughter.]

Mr. MOORE. Can not the gentleman see that this is an infant industry that needs protection?

Mr. WILLIS. That may be so; I had not thought of that phase of it.

Now, Mr. Chairman, I want to proceed to another phase of this tariff on wool. Another matter I wish to refer to is why we can not have and ought not to have free wool in this country. The fact is, as shown by a carefully prepared report of the Tariff Board, that the wool of our greatest competitors, namely, Australia, South Africa, and South America, figuring the cost of production of that wool on exactly the same basis upon which they figure the cost of the production of wool in this country, the wool of Australia, our chief competitor, and the wool of South Africa is going to the market with no charge against it at all. If you have any doubt about that you can find it fully elucidated in volume 2 of the report of the Tariff Board.

This is, on page 350, where they use the following language:

There remains, therefore, only the simple operation of subtracting from the flock expenses the receipts from other sources than wool, to reveal the fact that as against a clearly demonstrated net charge against the western American wool of from 10 to 11 cents, there is probably not more than 4 to 5 cents per pound against the South American clip, and if the season is normal and the sheep market steady, little, if any, charge against the Australian. Indeed, well-managed stations in many parts of Australia are showing at the present time a profit before any wools are sold.

This qualification is generally applicable to the stock trade in all of the larger sheep districts of Australia. Statements similar to the above are made by two other prominent owners with regard to returns from surplus stock in Queensland and Western Australia. But both say that in good years, and on well-managed runs, the sales of sheep yield enough to pay working expenses. One of these anticipates that, in view of the increasing exports of Australian mutton and lamb, the surplus station stock will in future years give an annual return considerably in excess of the amount of the working expenses—assuming that no large addition is made to the cost of labor in the meantime.

In the light, therefore, of the best information to be obtained, the board believes that at the present time the entire Australian output of merino and crossbred wool (interest being left out of account, as in the case of the United States) is moving to market, under present receipts from sales of sheep, with a net average charge of but a few cents per pound; and this estimate apparently holds good of New Zealand and the African Cape as well.

Now, on page 514 of this same volume, it is shown that in South Africa the same condition obtains. The statement is as follows:

Sale of surplus stock and mutton: In the Cape Province fat ewes are reported as selling for \$4.50 per head and fat lambs 5 months old at \$4. Old ewes are readily sold for local slaughter at from \$2.50 to \$3 per head, according to their flesh.

At the present time the demand for mutton is so strong that there is a good profit in breeding the woolless sheep for mutton alone. Where the sheep combine both wool and mutton the profits must naturally be much greater.

Cost of production: The average shearing per head is estimated at 6 pounds, with an average price received by the growers of 13½ cents per pound.

With an average valuation on breeding sheep of \$2.50 per head and an investment, excluding lands in improvements and equipment per head of not over 40 cents per year, and taking into account the low cost of wages and provisions, the moderate leasing values of their grazing lands, the mild winters which do not demand other food for the animals than that found on the ranges, the strong demand for mutton of all classes, it is evident that the African woolgrower is able to meet all his expenses from the sale of his surplus stock and mutton, leaving the wool as a clear profit on his investment.

One flock owner in Rhodesia reports he can sell his wool at 12 cents per pound and make money.

That is to say, put it this way: The sheep men of Australia or South Africa, if they chose to do so, could absolutely give their wool away, realize nothing for it, and still continue in the sheep business. That must be perfectly apparent; that where there is an average charge against wool products of this country of 9.6 cents per pound we can not compete with a country that produces wool that has no charge against it.

Now, there is another reason connected with that.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WILLIS. For a brief question.

Mr. GARRETT of Tennessee. From the protection standpoint, what is the gentleman's idea as to the duty on wool, the highest duty and the lowest duty that would be just?

Mr. WILLIS. I think my friend knows that I try to be conservative about it. The fact is that you take the fine merino wools of Ohio, as shown by the report of the Tariff Board, and by the report of the committee on the wool bill of the last Congress, in order to afford full protection to these merino sheep there would have to be a duty on the scoured content of about 24 cents. But I recognize the fact that that proposition must be looked at in a reasonable way. We have got to take something like the average cost of production of wool, and therefore my opinion, based on the report of the Tariff Board, is that the duty on the basis of the scoured content should be 18 cents. Of course, although I have no personal interest in the sheep business, I come from a section that has, and I would be glad to have it 19 or 20 cents, but I am personally of the opinion that 18 cents on scoured wool would give a reasonable pro-

tection to the woolgrowers of this country. This opinion is concurred in by the National Woolgrowers' Association and by the farmers and sheepmen of the country generally.

Now, there is another reason why we can not compete successfully with the countries I have named. Of course, I recognize the fact that these men who think it does not make any difference whether we have anything in this country, whether we raise any sheep or not, or whether we build up any industry, will not agree with me, but I think the American people take a contrary view to that of gentlemen who so think, and therefore I want to call attention to these facts taken from the report of the Tariff Board.

Take the average labor cost per sheep in the United States and it is 82 cents. In South America it is 23 cents. In Australia it is 7 cents, or about one-twelfth of what it is in this country. Why, in South Africa there are instances, and many of them, where men are hired at a rate of \$1.70 to \$3 per month to take care of sheep—men that are clothed in a happy smile and a G string. That is the kind of labor with which we are to compete if this bill goes through. The labor cost is higher, and it ought to be, because the people that are getting the wages are American laborers that receive and ought to receive the highest wage of anybody in the world. [Applause.] Anybody that has investigated beyond the most superficial inquiry knows the wages here are two or three times what they are in foreign countries.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. Certainly.

Mr. GARRETT of Tennessee. Of course I am not going to challenge the gentleman's statement about men being clothed in sunshine and a G string.

Mr. WILLIS. Oh, it was a sunny smile. I must insist upon the gentleman keeping my metaphor correct.

Mr. GARRETT of Tennessee. A sunny smile and a G string. If the weather be such that men can dress in that fashion, does not the gentleman think that it is pretty hard on the sheep that grows the wool?

Mr. WILLIS. I do not quite catch the point of the gentleman's question.

Mr. GARRETT of Tennessee. How is it possible for the woolgrowing sheep to live in a climate where men can dress themselves in a sunny smile and a G string?

Mr. WILLIS. I want to say to the gentleman, Mr. Chairman, that that is a question that is not up to me. It is a question that is up to the sheep. As a matter of fact, they do so live by the million. That is a fact. How they do it I do not pretend to know. The conditions to which I refer, in so far as habits of dress are concerned, do not apply to Australia. As the gentleman well knows, Australia is hot and dry, and yet the sheep producing that beautiful fleece of heavy wool thrive there. I do not know how it is, but it is a fact of nature, and we can not argue with that fact.

There is another thing to which I wish to refer, and that is the cost of shearing. The average cost in this country is 9½ cents per head. In Australia it is 7 cents, and in South America 6 cents, and in Africa 2 cents. The labor cost again is vastly higher here. Then, too, take the question of freight. Do gentlemen stop to think that it is cheaper to ship wool from Australia to Boston than it is to ship wool from Idaho to Boston? Here are the facts: The freight rate to the wool market of Boston from the West of the United States is 6 cents on the scoured pound. From Australia it is half of that, 3 cents; from South America, 1 cent and a fraction; and from London, two-tenths of 1 cent. In other words, the producer of Australia, of South America, and of South Africa has a large advantage on the labor cost, and he has an immense advantage in the freight cost; and the result of these things is the unquestioned fact that we can not compete with those countries in the production of wool. As I said, if gentlemen say, "Very well; destroy the sheep industry; wipe it out," then this argument has no effect; but I think the great mass of the American people do not take that view.

There is another question to which I wish to refer very briefly. Some one will ask himself, perhaps, why it is that woolgrowing has not increased in this country. It has not increased rapidly. In fact, it has decreased in some years, and that is a perfectly legitimate question. How does it come, since we have had a tariff, that woolgrowing has not increased? Let us see. In the first place, it is because the protection which the farmer has had has been continually decreasing. While the rates in the law remain the same, certain forces have been at work which I believe I can explain, which have operated to reduce the actual protection every day in the year. What are

those forces? Here is one—the development of the frozen-meat trade of Australia, giving a great impetus to the production of wool of light shrinkage. Second, the famous skirting clause in the present tariff law. On this subject the Tariff Board says (vol. 2, p. 382):

The complaint of the grower of domestic wools that he is not now and has not during all these years been receiving the amount of protection nominally extended by the 11-cent duty on the grease pound is based upon the heavy shrinkage of the domestic fleece as against the light-conditioned skirted wools selected for importation primarily for their large net yield. An examination of the existing duties will show that the schedule is constructed upon the theory that wool shrinks 66½ per cent in the scouring. Since, however, it is certain that the wools actually imported shrink something less than 40 per cent, it is obvious that instead of paying \$11 duty for every 33½ pounds of actual wool brought in, the importer is really securing some 60 pounds at a rate of not to exceed 18 cents per scoured pound.

In order that this matter may be more clearly understood, the board has prepared a tabular statement in which the full effect of shrinkages upon the actual operation of the existing wool duties is shown:

Present grease-pound rates with computed scoured-pound equivalents.

Shrinkage.	Actual duty on scoured content.	
	Class I wools.— Duty per pound, 11 cents.	Class II wools.— Duty per pound, 12 cents.
75 per cent.....	\$0.44	\$0.48
70 per cent.....	.36½	.40
65 per cent.....	.31½	.34½
60 per cent.....	.27½	.30
55 per cent.....	.24½	.26½
50 per cent.....	.22	.24
45 per cent.....	.20	.21½
40 per cent.....	.18½	.20
35 per cent.....	.16½	.18½
30 per cent.....	.15½	.17½
25 per cent.....	.14½	.16
20 per cent.....	.13½	.15

I have no doubt that gentlemen understand what that means. There is a provision in section 308 of the present law that I will read. I think it is only fair, however, in passing, as I criticize this section somewhat, to say that it is no reflection on the distinguished gentleman from New York [Mr. PAYNE], because he himself has fought for years to have this schedule revised. The provision that I refer to is as follows:

Provided, That skirted wools as imported in 1890 and prior thereto are hereby excepted.

What do they do under that clause? Australian wool is beautiful wool. When I spoke here in the last Congress I had samples of it. It is beautiful wool, not as strong as the Ohio wool. You can pull it apart as you can cotton batting. It is not as good as the Ohio wool in some respects; it is not so strong in fiber, but it is beautiful wool. The producers shear the wool off and spread it out, and they will cut off the legs, the dirty portions, the neck and belly, and simply leave the solid part of the wool, the best of it. Under that clause in the present law that wool comes in as if it were in its natural condition. Couple these two facts together, first the development of the frozen-meat trade, and, second, this practice of skirting, and you have the result that whereas the present law was drawn upon the theory that wool would shrink in the neighborhood of 66½ per cent; as a matter of fact, the wool which now comes into the country shrinks not 66½ per cent but it shrinks more nearly 40 per cent. That is discussed very briefly in the report of the Tariff Board, to which I simply refer in passing, in volume 2, page 382. Just to make it a clear illustration, suppose we had 100 pounds. The importer buys 100 pounds of wool, and if it shrinks 66½ per cent he would have 33½ pounds under the present law, and he would have to pay a tariff of \$11, and that would make the schedule what the law intended it should be; but let us see how it actually works out.

Instead of shrinking 66½ per cent it shrinks only about 40 per cent, and, then, instead of having 33½ pounds it will be 60 pounds, and if you will divide the amount of duty he pays by 60 instead of 33½ it will be seen the farmer has not been getting anything like 33 per cent protection on the scoured pound. As a matter of fact, it is shown by a table which I shall place in my remarks he has been getting something like 18 per cent. That is why I said 18 cents on the scoured content in reply to the gentleman from Tennessee. That is about what the farmer is actually getting under the present law as protection. Some interesting tests were recently made. I happen to know the authenticity of these facts. A fleece of Ohio wool was cut in two and half of it was sent to Boston and the other half to

London. That sent to Boston sold at 26½ cents per pound, that sent to London sold for 19½ cents per pound, a difference of 7 cents—not 11, but 7. A fleece of Oregon wool was divided, as I have stated in this case. That fleece of Oregon wool sent to Boston brought 20 cents and that sent to London brought 14½ cents, a difference of 5½ cents. The same thing happened with Wyoming wool. In other words, the protection is not what the law indicates it should be. It has been only something like probably 6 cents on the grease pound or 18 cents on the scoured pound, and that is why the production of wool has not increased more rapidly under the tariff.

Now, I want to call attention to another fact, and that is the effect the tariff on wool has on the price of clothing. It is clearly demonstrable that if all the amount of the tariff is added to the price of the article that on the ordinary suit of clothes the tariff will not increase the price more than 75 or 80 cents a suit. Does anybody believe that simply by taking this tariff off that a suit that you now buy for \$20 you will then be able to get it for \$19.25? Does anybody think that there will be the slightest change in the retail price?

No one gives it serious consideration, because it is such a small element in the price. Ordinarily you can not make a suit of clothes for the biggest man on earth out of a piece of cloth and put over \$2.10 worth of wool in it. How can it be that the removal of tariff on wool is going to have any appreciable effect upon the price of clothing? As a matter of fact, it will have practically no effect. For illustration—and I hold no brief for the wool manufacturers and I shall consider them only incidentally, for I think the terms of the present compensatory duty on wool are unfair and ought to be revised, and I shall vote for an amendment to reduce it—as I say, I hold no brief at all for the wool manufacturer, but I believe in giving even the devil his due. What I object to is free wool for the farmer but protection for the manufacturer. If wool is made free, why not clothes? The fact is, the price of that clothing is not because of the profit the manufacturer makes, but it is because of the profit that is added somewhere else. There is no wool raised in Ohio that will bring over 60 cents per pound, cleaned, and it will not take over 3½ pounds to make 3½ yards of goods required for a suit. The cost of that wool can not be over \$2.10, and there is not any better wool in the world, and this under the present tariff. Whether a suit costs \$15 or \$75, it can not contain more than \$2.10 worth of wool, including the duty, and the rest of the price must be paid to American labor or American profit, and not over 25 cents profit per suit gets to the mill on the average. Twenty years ago department stores paid 80 cents, less 7 per cent, for goods to retail at \$1. To-day the big houses will not pay over 62½ cents for goods to retail at \$1 and not over 82½ cents for goods that retail at \$1.25, and practically no house will pay more than \$1.05 for goods that retail at \$1.50. A \$25 suit for women at retail in department stores in our great cities costs the retailer not more than \$15 net, and it contains about \$6 worth of dress goods.

A department store selling a suit at \$25 gets \$10, the mill not over \$6, including the tariff on wool and the cost of the wool. Here is a little item I have here taken from a New York paper, an advertisement for one of the big department stores of New York City, which one it is not necessary to say, except it goes to show that they can sell a blue serge suit, special and thoroughly dependable, at \$14.75. Now, let us analyze that. The ultimate consumer pays \$14.75. The department store pays not over \$10. The clothing manufacturer pays for goods not over \$3.25. The clothing manufacturer pays for trimming, labor, expense, and profit \$6.75, making \$10. The department store gets \$4.75. The mill gets \$3.25, which includes the tariff, cost of wool, etc. The department store makes, by simply hanging up the suit, a profit of more than the farmer gets for raising the wool, more than the manufacturer of the cloth gets for its conversion into cloth.

The single profit that is made in the one handling is more than the total cost of that piece of cloth, including the cost of the wool up to the time it leaves the mill. And then they complain about what an immense profit the farmer is getting, and about the tariff. The clothing manufacturer pays for the goods not over \$3.25. He pays for trimming and labor expense and profit, \$6.75, making \$10. The department store gets a profit of \$4.75, a profit of nearly 50 per cent. Here is the actual cost. And yet we complain because the farmer down on the hills of Ohio is getting a little tariff protection upon his product.

I shall place in the Record something of an elaboration of what I said at the beginning about the influence of local custom upon prices, to make it clear, if I can, as a matter of fact, that the thing which has the most to do with prices is not the tariff, but these peculiar local customs.

Commodity.	Unit of sale.	Pro- ducer's share.
		Per cent.
Milk.....	Quart.....	50
Butter.....	Pound.....	87
Poultry.....	do.....	50
Eggs.....	Dozen.....	69
Cabbage.....	Head.....	48
Do.....	Pound.....	65
Celery.....	Bunch.....	60
Apples.....	Bushel.....	56
Do.....	Barrel.....	66
Strawberries.....	Quart.....	49
Do.....	Crate.....	76
Onions.....	Peck.....	28
Do.....	Barrel.....	58
Oranges.....	Dozen.....	20
Do.....	Box.....	59
Oats.....	Bushel.....	74
Melons.....	Pound.....	50
Parsnips.....	Bunch.....	60
Potatoes.....	Bushel.....	59
String beans.....	Barrel.....	80
Sweet potatoes.....	do.....	61
Turnips.....	Bunch.....	60
Watermelons.....	Each.....	34

That is to say, the man who runs the dairy farm, furnishes the cow, cares for her, feeds her, and attends to the milking, gets but 50 per cent of what is paid for the milk by the ultimate consumer. In case of poultry, the farmer's wife who raises the chickens gets but 50 cents out of every dollar that is paid for them by the consumer. The producer of onions gets only 28 per cent of the consumer's price. The producer of oranges gets only 20 per cent. The producer of cabbage gets only 48 per cent of the price paid by the consumer. The producer of potatoes gets only 59 out of every \$100 paid by the consumer. The man who raises the watermelons gets only 34 per cent of the price to the consumer. In other words, with the agricultural production increasing only slowly and in some cases absolutely decreasing, with only a small share of the consumer's price going to the producer, it is very apparent why the cost of living is high. We see clearly two of the reasons that enter into this great problem. Of course, there are other factors, which it is not our purpose here to discuss.

Mr. Chairman, I see that my time is almost gone, but before I conclude there are some things to which I should like to call attention. I should like to go through Schedule G, in which practically everything that is raised upon the farm is either put upon the free list or the rates are cut in two—the farmer suffers the most heavily of all. Did you notice the duty upon peanuts? It is as interesting as it can be. That is on page 57 of this bill. Before that they had been cutting and slicing right and left, putting cattle, and horses, and sheep, and mules, dead or alive, and swine, and all of those things at greatly reduced rates, and then the brethren, in order to save their faces and keep up appearances, slightly reduced the duty on peanuts. Peanuts unshelled now bear half a cent a pound. They made a tremendous (?) reduction from one-half a cent a pound to three-eighths of a cent a pound, in the interests of the people. And shelled peanuts that now bear a rate of 1 cent a pound—and who ever heard of such magnanimity—are reduced to three-fourths of a cent a pound. A product that is raised in a locality that has not a Member on the committee to look after it has to stand a cut, but peanuts had a friend on the committee, and so they did not suffer.

I will refer in the closing minutes which I have to this free list.

Mr. Chairman, this is a thing grand, gloomy, and peculiar.

Mr. MAPES. Where are peanuts raised?

Mr. WILLIS. In Virginia, North Carolina, and so on down. I am not complaining about that. I am simply bewailing the misfortunes of the poor fellows in Michigan and Ohio and other places who did not have a friend at court. I am not complaining.

When the farmer opens up this free list, there are things that are going to make him happy. He will find broom corn on the free list, and buckwheat is on the free list. But there is compensation. His broom corn has gone down in price, and his buckwheat is not worth enough to fill up a ravine; but what a satisfaction it will be to him when he finds that he can get cadmium free. [Laughter.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PAYNE. I yield three minutes more to the gentleman.

Mr. WILLIS. And then if he goes on he will find corn and cornmeal, which he used to get protection on, now on the free list, but bonechar he can get free. Unfortunately, however, that

is used only by the Sugar Trust, and consequently is put on the free list for its benefit. Incidentally, the Sugar Trust seems to be wonderfully favored in this bill, as is indicated by the following from the Ohio Farmer of April 26, 1913:

[From the Ohio Farmer, Apr. 21.]

FREE SUGAR.

So far every attempt in the Democratic caucus to alter any of the schedule items in the Underwood tariff measure has been thwarted by the administration forces. Practically every important item has its opponents, but the fiercest fight came, as expected, on the sugar and raw-wool items. The sugar schedule as written into the bill, reducing the duty at once from 1.9 cents to 1 cent per pound, then removing it entirely in three years, was attacked from both sides. Representative BROUSSARD, speaking for the Louisiana sugar raisers, attempted to compromise by proposing a 10 per cent reduction at first, with a progressive reduction every three years, but this was defeated 86 to 15. A free-sugar Member proposed to remove all the duty at once, but to make it effective October 15, to give wholesalers time to adjust their business to the new conditions, but the caucus also voted this down. Opponents of lowering the sugar tariff graphically pointed out that consumers are not now paying the full duty—1.9 cents per pound—on refined sugar, nor the 1.685 cents on raw sugar, nor the Cuban-sugar duty of 1.348 cents, for the reason that refiners, in competition for the domestic market, have so reduced the price that consumers are now paying only a fraction of these duties. Removing the tariff will therefore enable the refiners further to cut prices and hold them down until all the domestic beet and cane sugar producers are put out of business. Then the world's price of sugar at Hamburg would go up, on account of curtailed world's production, an illustration of which is afforded by the fact that a shortage of a million tons, which is less than our domestic production, sent sugar up 2 cents in 1911. Then, with the beet-sugar industry out of their way, the half dozen American refiners would import all their sugar, make their own prices, and grow richer than ever before. Mr. UNDERWOOD says that the only suggestions which President Wilson insisted on inserting in the tariff bill are the free-sugar and free-wool items. Also, it is reported that the President admits that "some of the domestic sugar factories must close, but he hopes that they will reopen later." What would they reopen for? Our farmers are not going to raise sugar beets at a cost of 3.54 cents per sugar pound to compete with the German cost of 2.41 cents (figures are from the Ways and Means Committee report accompanying last year's Underwood tariff bill), especially when all the margin of profit goes into the pockets of the American Refining Co. and its associates. Furthermore, Louisiana cane sugar, because it goes upon the market early in the fall, before domestic beet-sugar supplies are available, has served to keep the price of sugar more uniform the year around. Thus it is made clear that free sugar may benefit none but the half dozen powerful refining concerns, and the "dear consumers" may pay dearer than now.

But as the farmer sees that his corn and corn meal, wheat, and hogs are on the free list that he can look up and thank his stars that he can still get cudbear free. [Laughter.] Think of the old farmer with his worn-out trousers and his run-over boots—for his trousers are likely to be worn-out and his boots run-over under the hard times which this bill will bring—going into the store and saying, "Mr. Storekeeper, I want a bushel of cudbear."

That is a thing that you Democrats have promised your constituents. It is a great satisfaction to know that cudbear is on the free list. It is a splendid thing for the farmer. [Laughter.]

Then if the farmer's wife has been so economical as to be able to save up a little lard and take it to market she will find the price has been cut a cent and a half a pound, but, thank God, joss sticks are on the free list, and also old junk. [Laughter.] And if that good mother should happen to want a leech she can get it, because leeches also are on the free list.

This farmer goes on and he finds his beef and veal and mutton and pork and lamb are put on the free list. The prices of the products of his farm have all gone to pieces, but he says, "I am satisfied, because I can get all the manna I want, as it is on the free list." And also meerschaum. I thought that was well put in here, "mere-sham." He finds that the prices on oats and hay have all gone to grass, but, glory be, he can get myrobolans free, and also nux vomica. That helps out. [Laughter.]

And his potatoes, on which he had 25 cents protection, are put on the free list. That is bad for him. It is bad to have the price of his rye and milk and cream reduced by taking off the tariff, but it helps out some to have the farmer know that if he wishes he can still get all the pulu he wants free of duty.

That is a great fundamental doctrine of the Democratic Party—to give the people pulu in great abundance. [Laughter on the Republican side.]

And here is another thing that helps out: Apatite and dividi are made free. [Laughter on the Republican side.] Then, here is section 613. It will be a splendid thing for the American people, before the effects of this bill are outlived, to have spunk placed on the free list. Here it is. We shall surely need it before we get through with the effects of this bill. [Renewed laughter.] And then if you tell the farmers that the price of hogs has gone down and the price of tallow has gone down, it will comfort them to know that, even with that reduction of price in tallow and hogs, tamarinds are made free. [Laughter.] And that is the case all the way through this bill—a "mere sham." [Prolonged applause on the Republican side.]

The CHAIRMAN (Mr. STEVENS of New Hampshire). The time of the gentleman has expired.

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. BROWNING].

Mr. BROWNING. Mr. Chairman, with the full knowledge that any remarks I may make on the pending bill will be futile, yet, in justice to my constituents, I must register a protest against the provisions of these schedules which, if enacted into law, will disastrously affect the people of the first New Jersey district, the people of the entire State of New Jersey, and the people of the whole country. We need only the light of experience to read the handwriting on the wall.

I shall confine my remarks largely to the situation in my own district, though I believe my contention is applicable generally to all other districts and States of the Union.

Mr. Chairman, I represent some 200,000 industrious, energetic, prosperous people, and I might say that almost every article we need in our daily life is produced and made in my district and State. On our farms—though ours is not an agricultural State—we raise millions of bushels of wheat, corn, and oats, and about every known article of so-called garden truck. In our factories, mills, and yards we turn out innumerable articles, from steel pens to battleships and merchandising vessels. Thirty thousand wage earners are paid some \$15,000,000 yearly, more than the amount paid by the Government to its employees here in the National Capital. Besides our profitable farming communities we have prosperous iron and steel and pottery and woolen plants, while our chemicals, candy, soups, laces, oilcloth, embroidery, stoves, corks, talking machines, and scores of other articles are known throughout not only our own country but all over the world.

And right here, Mr. Chairman, let me emphasize the fact that every one of the industries of my district is subject to the very keenest competition. We have no monopolies and we pay dividends on no watered stock. With possibly one exception, you can not connect us with any so-called trust; and, further, many of the manufacturing concerns of my district can and do pay the highest wages on earth, and make a reasonable profit by exercising the most rigid economy and efficiency in management.

Fifty million dollars have been invested in plants and machinery, and \$50,000,000 worth of products are turned out annually. This could only be possible, however, with protection against the products of cheap foreign labor. Remove this protection in whole or in part, as is proposed in this most iniquitous, un-American, free-trade bill, and one of two things must happen in the factories in my district, my State, and all over the country—the mills must close or the workmen must accept foreign wages.

There is no dispute, Mr. Chairman, about this difference in wages. No one denies or will deny that the wages paid in Camden, N. J., are double and treble those paid abroad for the same work. And with the wage cost of an article amounting to from 70 to 90 per cent of its total cost of production, what is going to happen when we are driven to open competition with producers who receive but one-half or one-third of our wages?

We are told that this new tariff will reduce the cost of living. I believe it will, Mr. Chairman. It will mean living in one or two rooms instead of living in a whole house. It will mean one suit of clothes instead of three. It will mean meat occasionally instead of daily. It will mean few, if any, luxuries. It will mean the withdrawal of savings, which in the city of Camden amount to \$20,000,000. It will mean a cessation in building, which will affect the workers in the various trades, whose wages will be cut in half or worse because of idle time. And then the merchant and professional man and woman will suffer, till only the pawnbroker will be doing a profitable business. [Applause on the Republican side.]

The President in his message made no allusion to wages. The report of the majority is silent on the matter. The speeches favoring this bill severely let the subject alone, and yet it is the pith of the entire question.

We are told by the astute writers on finance and economics of the country that we are to have a new national wage adjustment. We are told that this bill, if it becomes a law, will revolutionize our wage scale, will disrupt our labor unions, and level our present standard of living toward the foreign plane. Such must be the result, if not the intention, of this bill. It will positively close more than one factory in my district unless our workmen are willing to accept one-half or one-third of the wages they are now receiving. And when that result is brought about, Mr. Chairman, every man, woman, and child in the country must be adversely affected.

My people are already realizing what this bill means. They are sending me petitions bearing thousands of names, not the names of capitalists and manufacturers and bankers, but the names of the men and women of the mills, regardless of party.

Some of them remember and refer to the conditions of 20 years ago and beg that we do not repeat that folly.

I have sent this bill to the industrial establishments of Camden, the principal city in my district, and elsewhere, and from many of them I have received candid replies, stating the result that must follow the enactment of its provisions.

The head of the State grange and a practical farmer says:

I haven't had time to make a thorough comparison of schedules, but am fully convinced, so far as I have gone, that the bill will be fatal to agricultural interests.

From the South Jersey Farmers' Exchange comes the following:

We are writing you on request of about 1,000 members of the South Jersey Farmers' Exchange in protest against the bill that is before Congress to take the duty entirely off of potatoes. We think at least there should be not less than 15 cents per bushel duty paid on all foreign potatoes coming into this country. We can hardly believe that you and other Members representing the farmers' interests will allow this bill to go through.

From a letter of the officials of a worsted mill I take the following extracts:

We certainly feel that its effects will be most serious and depressing, for we can not see how the manufacturers will be able to compete against foreign importations with but 20 per cent on yarns and 35 per cent on manufactured goods and clothing, even with wools being admitted free of duty.

We are wholly dependent on the weavers of the goods for our business, and what we fear most is that they will not be able to run under a 35 per cent duty at the present scale of wages, in which case they will have no use for our yarns, and we, in turn, will have no use for wool, free or otherwise.

The head of a varnish and paint concern writes:

I can assure you that its provisions will operate most disastrously, as far as our interests in Camden are concerned.

I extract the following paragraphs from a letter concerning the worsted and woolen yarn industry:

From every indication it means practically utter destruction.

It is almost certain that there will be very little American cloth made until American labor has been brought down to the level of European labor.

An analysis of the last census report shows that in the city of Camden there were about 1,200 persons employed in the manufacture of worsted yarns, receiving \$355,000 annually in wages. This means that approximately 16 per cent of our entire population is dependent upon this industry for a livelihood. Strike at the root of this industry and you deprive this portion of our population of the means of support.

Nothing could be more disastrous to our city and to the worsted-yarn industry than the passage of House bill 3321.

From a macaroni company comes the following:

As we said formerly, this will practically mean that many American macaroni factories will have to go out of business, as it is impossible to compete with foreign manufacturers, because macaroni is a product that is used principally by foreigners, and they prefer to buy imported goods, especially if they can buy it cheaper than the American product.

A firm in Camden dealing in wool, scoured, carbonized, and combed, writes:

We have carefully considered the portions of the bill relating to our industry, and look upon its passage with very great fear.

The proposed bill provides for free wool and 35 per cent on manufactured textiles, and in the light of past experience we can not see where the textile manufacturers have much chance to operate. We believe since the passage of the former bill the textile industry of this country has advanced considerably, possibly to such an extent that the industry might be able to live under the condition of the bill passed in President Cleveland's term, but it surely has not made such strides that it can exist under the provisions of the Underwood bill.

It is a national disgrace if this country can not clothe its people, and we thoroughly believe that a bill bearing such a low rate of protection to manufactured textiles will give the industry a severe setback. From the Democratic standpoint of tariff for revenue, the proposed bill will be a great success, in that it will permit the importation of goods in enormous quantities.

A comparatively new industry, that of phototypes, gelatine prints, commercial and art catalogues, send the following:

At its best this industry is but in a state of infancy, and it is to further develop it in this country that we protest against lowering the tariff, as we have found in the past that it is already low enough on work done by this process to make it impossible for us to compete with foreign houses on such things as illustrated post cards and art subjects. Worse still, another lowering of the tariff would mean to us to abandon the industry altogether, as we would be absolutely unable to compete with the in-rush of the printing done by foreign producers.

A petition signed by the employees of the above firm says:

Should the tariff be lowered on the goods of our employers it would be impossible for them to compete with the foreign producers, and consequently they would be compelled either to abandon the industry or reduce our wages to such an extent as to almost deprive us of a decent livelihood, to which we as American citizens are justly entitled.

One of the glaring inequalities of the bill, bearing on an industry in my district, is the fact that a duty remains on burlap, not one yard of which is made in this country. To place this on

the free list would work an injury to no citizen of this country, but, on the contrary, would be a positive and substantial advantage to the poorest man, as this commodity is the basis of his carpet—floor oilcloth.

On the other hand, the duty on floorcloth has been changed from 45 per cent to 20 per cent, and this feature, in connection with the fact that the raw material—burlap—carries a duty, makes it practically sure that the American manufacturer of floorcloths can not compete with the manufacturer abroad.

Mr. Chairman, I have quoted the comments of honest business men, of men who know what the effect of this tariff would be and who would be justified in anticipation of its enactment in closing their mills or announcing the reduced wages, which must positively be the only alternative. And in this connection, Mr. Chairman, I could pay no higher tribute to the manufacturers of my district and the State, and to the manufacturers throughout the country, than to call attention to the fact that they have made no threats, they have resorted to no recrimination, but in the face of coming adversity, and ruin for many, they have kept up courage and proceeded as best they could with constantly decreasing orders, keeping their fires lit and their men at work in the hope that in some way disaster may be averted.

I might, in justice to myself and the industries of my district, ask that the bill be amended, but I should have to present as many amendments as we have industries, and as it would only be a waste of time I shall refrain.

But, Mr. Chairman, I do protest against this bill, not alone because of the general reductions that take away the adequate protection our industries need against cheap foreign labor, but because of the vicious features of the measure which increase the duty on raw material that we do not produce and reduce the duty on the finished product. That sort of tariff making, sir, is not only un-American but inhuman and iniquitous to the last degree.

It would seem that there could be nothing worse for our labor and industries than free trade, but worse still is a tariff that taxes the raw material and lets in free, or with a low duty, the finished product. There is no reason and no excuse for such legislation, Mr. Chairman, unless it is the intent and desire to adjust American wages and the American standard of living to the European and Asiatic level.

When the wages of workmen in our mills and factories are reduced to the Democratic free-trade dollar-a-day basis, then the price of farm products must be cut in half and the wages of carpenters, painters, plumbers, masons, bricklayers, paper hangers, decorators, teachers, clerks, and so on, must also be cut in half, with idleness on every hand. There will be no strikes then for higher wages and shorter hours. Instead of a job or two for every man, there will be two or more looking for every job.

There is another point, Mr. Chairman, that should not be overlooked. While you are reducing duties upon a standard American product, other nations are increasing their duties, with the result that our manufacturers will be ground between two millstones.

We are making in my district superior goods, the best made on earth. The cheap imitations of these goods are at present kept out by an adequate tariff; take away this protection and we shall be inundated by the cheaply made foreign product. We are prohibited from selling abroad by foreign tariffs; our home market will be taken away, the domestic industry destroyed, and the inferior substitute will flood our markets. Wherein do we gain?

Again, we find that some of our industries are given slight incidental protection that may enable them to barely exist, and yet our farmers are given no protection whatever, and when the agriculturists of my district or of any other district are unable to make a profitable living, how can they buy the products of the mills and factories?

Why, Mr. Chairman, this bill instead of being called a bill to reduce tariff duties and provide revenue for the Government—which it will not provide—and for other purposes, should be called a bill for the emasculation of American wages, the dismantlement of American homes, and the debasement of American men and women.

With all the vigor of which I am possessed do I protest against such a blow to the industries of my district and against such an attempt to ruin the people I represent. I can do no more. But I warn you, Mr. Chairman and gentlemen, that the day of reprisal will come as it came in 1824, in 1860, and in 1896—you may bring calamity and disaster and ruin and poverty and suffering, but the people will rise in their might and again restore us to protection and opportunity and prosperity.

Mr. Chairman and gentlemen of the majority, you are taking an unfair advantage in carrying out your designs; you were not

asked to frame and pass this vicious tariff measure. On the contrary, a most substantial majority of our voters protested against such legislation at the polls last fall, and a still greater majority would register their disapproval now if they could do so. You were given power by a political fluke. In the vernacular of the day you scored not by a clean base hit, but by being hit by the ball. The American people are opposed to your policy. We are a people who favor adequate protection to home labor and industries. We are in favor of high wages, a high standard of living, comfortable homes, plenty to eat and wear, and opportunity for all with consequent national progress.

This bill, if enacted into law, will bring disaster and ruin and will adversely affect every person in the country except those who profit from the adversity of others. We of the minority can only protest and hope that in some way the evils that threaten us may be in part or wholly averted. [Applause on the Republican side.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. LANGLEY].

Mr. LANGLEY. Mr. Chairman, I am very proud indeed to have the privilege of addressing so large and enthusiastic an audience. [Applause.] I hope my genial friend from Alabama [Mr. UNDERWOOD]—and I am glad that he and the distinguished gentleman from Missouri [Mr. CLARK] both honor me with their presence and attention—will pardon me if I become personal to the extent of saying that, although I greatly admire the superb qualities of leadership possessed by the gentleman from Alabama and hold him in the highest personal esteem, I was, nevertheless, in favor of the nomination of my old friend CHAMP CLARK for the Presidency. [Applause.]

Millions of honest voters had been persuaded into the firm conviction that protection was unconstitutional and a robbery; that it was a handicap to capital, a burden to the masses, and beneficial only to plutocrats and other selfish enemies of the common people. I felt that the gentleman from Missouri [Mr. CLARK], having been the star performer in that well-staged drama, ought to have been the chief beneficiary of Democracy's ill-gotten gain. [Laughter and applause.] But the Democratic Party is sometimes ungrateful, as Republicans are proverbially said to be, and my friend was "turned down." The manner of the "turning down" and the reason for it have nothing to do with the tariff question, and therefore it is not proper that I should discuss the subject here.

Mr. AUSTIN. But he will come back again, I will say to the gentleman.

Mr. LANGLEY. I hope he will. I do not know whether I shall favor his nomination four years from now or not; but one thing is certain, and that is that if the popularity of the gentleman from Alabama [Mr. UNDERWOOD] continues to grow in this country, as a result of his authorship of this bill, as it is now growing in the countries across the sea, where they are looking with longing eyes to our rich markets which the bill will open up to them, then his political future is assured and the attainment of the goal of his ambition certain. [Applause.] Then nothing can keep him out of the White House. Even fusion between Wilson and Bryan and LA FOLLETTE and CLARK and Roosevelt, with the Socialist vote thrown in, could not stop him. [Laughter and applause.]

But will the American people like him as well "after taking" as they do "before taking"? [Laughter.] That is the momentous question. He is not exceedingly popular just now down in the district which I have the honor to represent. My constituents like him well enough, but most of them fear the effect of his bill. However, I will tell him how he can make himself a hero in the tenth district of Kentucky. We raise a good deal of cattle and hogs there, and we also consume a good deal of beef and pork and bacon. We produce a great deal of coal and lumber, but we also use a great deal of those commodities, and the same is true with reference to many other articles I could mention. If he can so shape this bill that he can maintain the price of cattle and hogs and at the same time reduce the price of beef, pork, and bacon to the consumers of those articles; if he can keep up the present price of coal and lumber to the producer and at the same time cheapen them to the consumer; in a word, if he can devise some sort of automatic process working both ways whereby the wages of labor can be maintained as well as the prices of what labor produces and at the same time these products can be cheapened to the consumer; then, indeed, I am almost willing to concede that he could come very near carrying that rock-ribbed Republican district as the nominee for the Presidency in 1916.

I earnestly hope that he can do these things, because I want to see all the people of my district get a square deal and their share of the beneficence of this bill. I confess that I entertain serious doubts as to whether all this is possible, although I really think that you Democrats are in earnest about it and

really believe that you can accomplish this devoutly wished-for result. I give you credit for the utmost good intentions, but I beg to remind you that there is a certain road which is said to be paved with that kind of material.

I will admit that I used to be quite considerably prejudiced against Democrats, and sometimes I even doubted the patriotism of some of them. When I was a boy and heard that good old camp-meeting song—

Show pity, Lord! O Lord, forgive!
Let a repenting rebel live—

I thought it was a generous plea of a righteous Republican to the good Lord to be merciful to a poor penitent Democrat. But in recent years I have developed very largely the spirit of tolerance. I think the gentleman from Alabama and his followers earnestly believe that this bill will work out great good for the country. On the other hand, I am just as firm in my belief that it will curtail home production, embarrass capital, lower the wages of labor by reducing the demand for it, driving many out of employment, lower the prices of farm products and of labor's products generally, and halt the industrial progress of the Nation. Should it turn out that I am mistaken, my disappointment will be compensated by the gratifying knowledge that more good has come to the country.

I want to say to my distinguished Democratic friend from Kentucky in front of me here [Mr. STANLEY] that I will not agree to join his party in that event, because it is wrong in too many other things; but if you Democrats make times better by this bill I will take off my hat to you and admit that for once you have guessed right.

I shall not attempt, Mr. Chairman, to point out all the defects, great and small, in this bill. Life is too short for that. I shall content myself with pointing out some of its most striking shortcomings. Everyone within the reach of my voice and millions of people throughout the country will remember how for years the Democrats, in season and out of season, have berated the Republican Party for not giving the farmer a square deal, and how they swore by high heaven that things should be different if their party ever got into power. Every Democratic platform since the close of the Cleveland administration has been ringing and reverberating with promises that the farmer and his interests should be properly cared for if the Democratic Party obtained control of the Government. This was one of the leading issues upon which that party appealed to the voters of the country for confidence and support.

Well, the party is in power now, and the very first thing it has done, in spite of those promises, has been to give the American farmer the worst slap in the face that has ever been administered to him since the foundation of this Government. It taxes the raw material and lets in free the finished product. It taxes wheat, but lets in flour free. It taxes cattle and hogs, but lets in free beef and pork and bacon, thus transferring to foreigners the employment involved in converting the raw material. If ever any class of producers in our country was discriminated against by legislation, it has been done in the case of the farmers in this bill. It was bad enough in the so-called farmers' free-list bill, which proposed reciprocal trade in agricultural products between the American farmer and the Canadian farmer, but this bill is infinitely worse, because it invites the Canadian farmer to dump all of his surplus products into the United States and gives the American farmer nothing in return. I know it is contended that Canada to-day has no agricultural products to spare, but it is well to bear in mind the fact that up in Alberta and other Provinces enormous wheat fields are being cultivated in ever-increasing numbers and that in the natural course of events that wheat will seek the American market. I opposed reciprocity with Canada, although it was favored by a Republican President, because I feared the conditions which I have just described, and with all the more vigor do I oppose the present bill, which aggravates these adverse conditions beyond compare.

Our Democratic friends declare that while it is true that the farmer's profits on his crops may be scaled down by the free entry of the products of competing agriculturists, he will be benefited by the lower prices of the things he consumes. They seem to forget, however, that it makes very little difference how cheaply an article may be bought if the would-be purchaser has not the money with which to buy it. It will make very little difference to the American farmer whether he can buy his clothing and the clothing for his family for 25 per cent less than he has been paying for it if his own income is cut down 50 per cent, or even more, as the result of this tariff legislation. It will make very little difference to him that agricultural implements can be imported free of duty if production on his acres has to be curtailed because no longer profitable.

Coal is put upon the free list in this bill. I am opposed to that. I do not believe that the price of coal will be cheapened thereby in such a degree as to make a material difference to those who use the domestic product. I do know that free coal is certain to result in the lowering of wages of the men employed in American mines. I am sure that it will affect most injuriously the coal-mining industry of Kentucky and West Virginia for the reasons already stated, and also because of the fact that a large part of the northern market now supplied from the mines in those States will hereafter be supplied by Canada and Nova Scotia by reason of the cheap water transportation from those Provinces as against the more expensive rail transportation from the States I have named. I assert, Mr. Chairman, that this is a most inequitable arrangement. We allow Canada to bring her coal into the United States; we make her a present of this great market and we ask nothing in return. In all conscience it would be bad enough to allow the free importation of coal under any circumstances, but it appears to me as extremely poor statesmanship to permit this to be done without obtaining at least some reciprocal advantage from Canada. It violates every fundamental principle of economic wisdom, and can not be excused even upon the score of expediency.

I know it is contended that putting coal on the free list will not reduce the wages of the labor employed in the coal industry in this country. I have had no practical experience in the business, and can not therefore speak from personal knowledge, but I would like to introduce a witness who has had vast experience in the business and ought to know what he is talking about. I refer to no less a personage than the Hon. Henry Gassaway Davis, of West Virginia, whom you Democrats nominated for Vice President a few years ago. Mr. Davis appeared before the Committee on Ways and Means in 1893 (Fifty-third Congress), of which Mr. Wilson, of West Virginia, was chairman, and of which the Hon. William Jennings Bryan, of Nebraska, was a member. It so happened that Mr. Davis was being interrogated by the Nebraskan with regard to the effect of putting coal on the free list. In answer to one of Mr. Bryan's questions Mr. Davis made this very significant statement:

That is the district of your chairman—the second West Virginia. There are 3,000 or 4,000 people there who are depending almost entirely upon the digging of coal and getting it to market. Make coal free and you take from them their bread. (See p. 1127.)

Your arguments now contradict this distinguished witness, although you tried to elect him to the great office of Vice President after he had taken this stand. This may be Democratic consistency, but it is certainly not a jewel.

Mr. Chairman, the lumber industry is also an important one in my district, and I am opposed to free lumber for the same reasons that I am opposed to free coal. I have heretofore stated pretty fully my views on free lumber, and as I expect to debate it, as well as free coal, under the five-minute rule, I shall not go into these matters further now, except to venture the prediction that this bill will injure both industries and to protest against its enactment.

We have heard much, Mr. Chairman, about the wonderful benefits to be derived in consequence of this legislation by the "ultimate consumer." One would think that the ultimate consumer was in a class by himself. The family name of the ultimate consumer is "everybody." The tailor is the ultimate consumer of the shoemaker's product; the miller is the ultimate consumer of the man who sells him the machinery for his mill. What one man produces another consumes. Production and consumption are interlocking facts. You can not separate the one from the other. You can no more segregate the effect of the one upon the other than you can set apart cause and effect in any other operation, whether natural or artificial. We are all producers and we are all consumers. If one of us is inordinately benefited some one else is necessarily inordinately injured. It is an endless chain. In the view of economic legislation the ultimate consumer is a myth.

In order to furnish the Treasury a compensating revenue for the loss resulting from the lowering of the tariff duties the Underwood bill provides an income tax. I have always favored such a tax as a proper means for raising revenue for the support of the Government. I voted to submit the constitutional amendment to the States, and I am glad that it has been ratified so as to enable this Congress to impose the tax. It is no more than right that the wealth of the country should bear its proper share of the expense of Government. The burden of such expense ought to be placed upon those best able to bear it, and for the protection of whose interests most of that expense is incurred. The "unearned increment" ought to be made a factor in providing for the needs of the Nation. The principle of this kind of taxation has long been recognized as absolutely correct

by other nations, and has been carried into practice much more drastically than this bill proposes. I have no fault to find with the scale adopted for the imposition of this tax. I do not care how large the amount of revenue which may be derived from it. The industrial and social progress of the Nation will call for ever-increasing expenditure on the part of the Government. As the country grows its needs will grow. We are accustomed in the United States to doing things upon a liberal scale, and we shall never change in that respect. When the first billion-dollar Congress passed into history a great cry was set up over the alleged Republican extravagance of that day. Since then we have come to the billion-dollar session, and our Democratic friends have appropriated considerably more than a billion dollars in one session without turning a hair. I am not finding fault with them for that; I predict that while they are in power they will probably exceed the limit of appropriations of the last session.

Many things remain to be done in the legitimate functions and through the legitimate expenditures of the Government. Millions of dollars can be profitably expended every year in the construction of good roads. I heartily approve of the proposed creation of a committee of this House to whose care is specially to be confided the subject of providing comprehensively for a system of public highways with Federal aid in their construction and maintenance. It is one of the great needs of the American farmer, upon whom rests an unnecessary burden of hundreds of millions of dollars every year in the matter of carrying his produce to market over the worst roads of any civilized country. The American farmers, Mr. Chairman, are very much more concerned and directly interested in the improvement of roads than they are in the improvement of rivers and harbors, however necessary the latter may be. We have heard quite a good deal of late about several proposed enterprises to be undertaken by the Government looking to the construction of inland waterways that are to link the Great Lakes to the Gulf and make it possible for great steamers to pass from the Lakes to the ocean. I have no objection to the prosecution of such enterprises, but I maintain that of greater importance than these is the building of good roads, which are the primary avenues of transportation for the farmers.

It will be expensive, it is true, but it will make up the unequal distribution that has occurred heretofore in Federal appropriations and do justice to a class of our citizens—the farmers—who are most in need of this assistance; and the burden on the taxpayers will be many times compensated by the advantages that will accrue to them and to the whole country. If the country is to be so greatly benefited, as is generally supposed, by the new markets that the building of the Panama Canal is to open up to our surplus products, this public highway improvement is the only substantial way in which the farmer can get an adequate return for the share of the expense of the canal which he has borne. Mr. Chairman, I have been advocating Federal aid in the construction of public highways for many years. I have made it one of the chief issues of my campaigns for Congress. So persistent have I been in its advocacy that I was dubbed "Turnpike John" by my Democratic friends. I have always been rather proud of the name, because I regard it as a token of honor rather than of ridicule, as it was originally intended, and I am glad to see the Democrats and the country generally coming around to my views on the question.

No matter how large the revenue may be which is to be derived from this income tax, there are many other perfectly legitimate ways in which it can and will have to be expended. I need but point to one of these to make good my assertion—the Navy. It may be, Mr. Chairman, that the millennium is right at our door and that the era of everlasting peace between the nations of the earth is at hand. I permit myself, however, to entertain some gentle doubts as to this perfect consummation. At any rate, as the most reliable insurance of peace for our country and against any hostile designs on the part of any foreign nation there is no better or more obvious investment than a navy which shall be in all respects the equal of any other, excepting always, of course, the navy of Great Britain. For these reasons and many others which I do not regard as necessary to state I favor the income tax, and, to use a popular phrase, "you may go as far as you like" with it, provided always that you do not thereby destroy the protective system which enables American industrial life to hold its own against the cheaper methods of other nations and which sustains the better standard of living which differentiates the American wage earner from his fellow in any other country. Under this protective system our country has flourished for more than half a century. I believe, nay, I feel certain, that you can not subvert the principle of protection nor lessen its application without grave danger to the best interests of our people.

Mr. Chairman, this bill carries joy to the heart of every importer in exact proportion to the sorrow and apprehension which it stirs in the breasts of American manufacturers and wage-workers. The importer's business will flourish exuberantly under its operation, because foreign goods of every kind, now restrained by the protective tariff, will pour in at every port. We shall see imports growing in corresponding ratio to the curtailment of domestic production. While the American manufacturer and wage earner see their profits and earnings shrinking day after day the importer will reap the rich harvest which this bill insures him. Not only the importer is rubbing his hands in glee at the prospect thus opening up before him, but foreign manufacturers are already singing psalms of joy in view of the impending breaking down of the tariff barriers which thus far have kept the American market free from the floods of cheap-labor products.

British and German trade journals and the daily press of both those countries have been fairly shouting the good tidings to their readers. And let me say right here that even those of our own newspapers which have been persistent propagandists of free trade or of a tariff for revenue only have not hesitated to say, since the provisions of this bill have become known, that it can not fail to injure many domestic industries, while some, as sugar and wool, will be practically destroyed.

There is a strong sentiment—and it is becoming stronger every day—that we shall have to enact legislation which will check the influx of immigration, especially of that class whose inevitable effect is to lower the standard of wages and the standard of living of the American workingman. This fact is recognized in nearly every State, and this feeling has found expression in many a petition to Congress asking for appropriate legislation, and numerous bills have been introduced both here and in the Senate with the view to checking the tide of undesirable immigrants. Mr. Chairman, there are more ways than one to kill a dog. Suppose that we were to enact a law to keep out the kind of immigrants that preeminently get into destructive competition with our wage earner; what will it profit those wage earners if we let down the tariff bars so far that they will have to compete against the products of that same kind of labor brought from abroad? So far as the effect upon economic conditions is concerned, the one process is almost as bad as the other; but if I had to make a choice between the two evils, I would prefer to take goods manufactured abroad by cheap labor rather than see the cheap laborer himself imported into this country and by his presence and activity lessen the opportunities of the American workingman for employment and for earning the wages he is now accustomed to receive, and at the same time lower our standard of civilization and patriotism. In its ultimate effect upon economic conditions there is very little difference between the policy of a low tariff and lax immigration laws, and I fail to see any consistency in the action of a Democratic House in passing a drastic anti-immigration law and then tear down the walls that give us protection from the ruinous competition of the cheap labor of the very same class of people.

Right here I can not forbear to express my sympathy with the action of the California Legislature and the attitude of California's governor in respect of the tenure of agricultural lands by alien Japanese in that State. I want to register my most positive dissent from the policy of the present administration on that subject. Almost from the day when Commodore Perry introduced Japan to the knowledge of the civilized world—certainly, ever since Japan has taken on the garb of western civilization—she has been a land-grabber. Japan is taking a leaf from the colonization book of her good friends, England and Germany. Like them she has adopted the motto, "Wherever you see land, grab it." She has become an industrious colonizer. Her population is increasing at such a rate that an outlet must be found for the surplus. Whether it be the forcible annexation of Korea or the joint occupation with Russia of Manchuria or the insidious acquisition of land in the States on our Pacific coast or the flooding of Hawaii with Japanese, the aim and purpose of every movement is the same—to wit, to extend Japanese influence, Japanese customs, and Japanese methods. We would be blind, indeed, if we were to shut our eyes to these facts and to the further portentous one that Japan means to extend her Empire at the cost of any nation whom she may deem weaker than herself. If Japan to-day were ready for a combat with the United States, she would not care the value of a tinker's dam whether she had a treaty of peace and amity with us or not. I do not think we ought to let Japan or any other nation bluff us, and I do not think the American people will stand for it, either. All this, of course, is incidental to the general subject of my remarks.

I do not flatter myself with the belief that anything said in criticism of this bill by anyone on this side of the House, or

on either side, for that matter, will have the slightest effect upon its status. I am perfectly well aware that I am now performing a useless function, and I should not undertake to perform it but for the fact that this bill deals a staggering blow to the industries of our country. That blow will be felt in my district and in my State as in all others.

Men of the South, no section of the country will be a greater sufferer under this bill in the long run than the Southland. We are in the transition stage from a purely agricultural to a large manufacturing community. There is hardly a State south of the Potomac that is not benefited by protection. When the people of these States realize that their onward march in industrial enterprise is checked as a result of the enactment of this bill, as I believe it will be, I shall be surprised if many of those States do not turn to the safe old captain who for so many years has guided the good ship Prosperity safely through storms and breakers. When the Republican Party returns to power, as surely it will, mark my words, it will be because the electoral votes of some of the Southern States are cast for the Republican nominee. [Prolonged applause on the Republican side.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from New York [Mr. WALLIN].

Mr. WALLIN. Mr. Chairman, it is becoming quite the fashion nowadays to brand any critic of the tariff bill here under consideration as an alarmist who seeks to trot out some sort of a bogie man to frighten the susceptible for political effect or personal gain. While this savors of assertion rather than of argument, I sincerely trust it will prove true and that nothing worse or more fatal to the business interests of the country will follow.

It is conceded here that the majority will enact into law substantially the same bill which is now before this House. The Democratic platform unquestionably declared for a tariff for revenue only. That was bad enough, but the majority of the Ways and Means Committee have gone much further. They admit that under the reduced duties they propose the revenues of the Government will fall more than \$70,000,000 below the sum required to meet expenses and millions below any hope of a surplus in the Treasury, and that additional goods valued at two hundred and fifty millions will be imported to this country. So alarmed were our friends on the other side at the prospect of this result that, it is reported, the President, the Cabinet, and the radical antitariff Members of the Senate were called into consultation and an agreement was reached to let the funeral proceed and to drape the hearse with an income tax, so that any person whose income happens to reach over \$4,000 a year might be doubly punished—first, by losing business, and, second, by paying for that loss out of his own pocket.

Now, our friends are "touchy" over any criticism of their pet measure and wish it understood that they are striving for an "efficient competition." With the enactment of such a measure, "efficient" competition will arrive on schedule time, so efficient that the results of 1893-1896 will be reenacted and the policy of proper protection for the farmer, the wage earner, and for our industries will be once more indorsed and demanded by the people at the first opening of the polls thereafter.

It is a matter of knowledge that foreign manufacturers are now within our midst arranging for the reception of increased imports of their goods the day the President signs such a law as is proposed by this bill. It is known here that these same foreign manufacturers are arranging facilities for doubling and tripling their output, because they are confident of making tremendous inroads on our market, which Americans, with increased cost of production, can not meet. It is a fact to-day that one of our great industries, into whose product labor is the principal factor, and whose product has been placed on the free list in this bill, is seriously considering the invitation of a foreign nation to transfer its plants across the ocean, where the labor rate will enable it to continue business, even with transportation to its American customers paid. It is known that our manufacturers are retrenching or preparing to retrench. This is a sample of the "efficient" competition we will enjoy when this bill becomes law.

However, it is simply my intention to protest, though in but a feeble way, on behalf of the industries of the district which sent me here. In this protest which I have been commanded to make that vast and important branch, agriculture, is incorporated, but those better qualified than I will speak for it. The first to feel a depressing effect on business is the farmer, and the first to resent such a condition is the man who tills the soil. However, to be specific, the district which I represent, outside the farms, is almost entirely dependent upon its manufactories.

Carpets, rugs, knit goods, gloves, leather, brooms, pearl buttons, electric works, lumber, silk mills, iron and steel, oils, furniture, packing houses, and workers in wood are among the chief industries dependent upon governmental recognition for life and prosperity. I believe there is no district in the country enjoying a greater diversity in the way of manufacturing, and yet, to an extent they are all interdependent. That which seriously affects one affects all to a more or less degree. In the four small cities of my district one hundred million or more dollars are invested in manufacturing, with a wage earners' compensation roll of about twenty-five millions a year, and nearly 50,000 persons actively participating as workers on that list.

The year 1912 was the most profitable ever enjoyed by the concerns or by the people of that district. Labor was satisfied and contented with the highest wage ever paid it there. The output of the factories was the greatest ever known, and the district turned out one-sixth of all the carpets and rugs made in this country; practically all the gloves and brooms; contains the greatest electric manufactory in the United States and one of the greatest locomotive works; while our knit-goods industries ranked in product, number of workmen, and percentage of wages with any in that great center of activity.

The protest which I voice to-day comes from every branch of this interwoven and enormous fabric of business and financial construction. Some of the protests, it is true, are more emphatic than others. Those of the glove industry are perhaps the most grave and anxious. This industry is practically confined to one small county and two small cities. While about \$20,000,000 is invested there only about six or seven thousand workmen are directly employed in the factories, as a great percentage of the work is done outside in the dwellings and residences of the people, so that great community is employed and sustained by that one industry. The reduction of the tariff by an average of about 15 per cent below that of last year will be a severe blow from which every manufacturer, no matter what his political affiliations may be, agrees he can not recover. Should their fears be well founded the only income-producing business of the community will be wiped out by the proposed "efficient competition" which will result.

This is but an individual instance of the feeling in a district where the businesses have dependent upon them not alone armies of wage earners, but where the welfare and comfort of every industry, every business house, and every property owner, every working, self-supporting citizen is interlocked and dependent upon the general prosperity of individual concerns. Your plan to reduce the high cost of living by closing the industries, giving the business to foreign countries, and driving our people back to the farms may accomplish that result, but where will the farmer find a market for his produce?

Before closing, however, I desire to point out what I believe is an unintentional misconception of the amount of foreign imports which we will be compelled to meet when this bill is enacted. With most of the schedules here mentioned I am more or less familiar. For instance, the majority of the Ways and Means Committee, in their handbook of information regarding tariffs and this bill, estimate that the imports of gloves to the amount of about \$8,000,000 in 1912, under an average duty of 44.15 per cent, will reach only about \$9,000,000 under their proposed average tariff of 31.77 per cent. I am not familiar with the grounds on which these estimates were based, but if those imports do not reach a very much higher sum it will be a matter of wonderment to those who are supposed to know whereof they speak.

In the matter of carpets and rugs the discrepancies in the committee's estimate of imports, I believe, are marked and misleading. Let me mention the fact that with a duty of 64.62 per cent last year the imports of Aubusson, Axminster, chenille, and moquette carpets was but \$65,000. With the duty in this bill reduced to 35 per cent the estimate of imports is but \$25,000 additional. These imports will increase, in my belief, to \$500,000 a year. Take, again, the schedule for Saxony, Wilton, and Tournay carpets. Under the Payne law in 1912, with a duty of 69.38 per cent, the imports were but \$23,307. The committee has reduced this duty to 30 per cent, and increased in its estimate the imports only by \$7,000 in round numbers. With a decrease of more than 50 per cent in this duty I can see no reason why the imports in this line alone will not exceed \$250,000 per year. The same ratio is true of the Brussels, Wilton, velvet, and tapestry and ingrain carpets.

In tapestry Brussels the estimates of the committee seem to me to reveal a most glaring inconsistency. In 1912 the tariff on these carpets was 83.53 per cent. The imports under this rate were but \$225 for that year. In this bill the committee

has reduced this duty to 20 per cent, and yet, with this remarkable reduction, estimates that only \$4,000 of these goods will be brought in from abroad. In my opinion the imports of tapestry Brussels under a 20 per cent duty will run up to hundreds of thousands of dollars per year, and possibly into the millions. Tapestry Brussels are the most popular in the American market and are handled by the factories and dealers in large quantities.

In the matter of rugs, more or less luxuries, the discrepancy, to my mind, is even much greater. The reduction in the tariff rate, it is true, is not so great—from 58.10 per cent in the Payne bill to 50 per cent in this bill—but these goods are high in price and the 8 per cent reduction in the duty will make a marked difference in shipments. In 1912, \$3,800,000 worth of these rugs were brought in to take the place of those of American manufacture and purchased by the wealthy, and yet the committee believes, with its reduction in the duty, the importations will not exceed four millions. From what I know of conditions, I assert that if these imports are kept down to \$6,000,000 per year under the proposed tariff rate we may be thankful.

However, if the estimated imports on the other schedules of this bill are as faulty as those to which I have referred, the hope of retaining a home market for home manufactures will fast disappear; the boast of the highest paid labor in the world will be a thing of the past.

That these protests will fall on unheeding ears, I am certain. That they will avail nothing in this mad rush to carry out a theory once tried and found wanting, but demanded in a platform indorsed at the polls by a minority of the voters of the country, is practically certain, but one whose home folks are so vitally interested in this matter would be derelict to his duty and to his principles did he not in some way strive to record these warnings publicly and at the fountainhead.

I thank you for your attention. [Applause.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Michigan [Mr. J. M. C. SMITH].

Mr. J. M. C. SMITH. Mr. Chairman, it would be impossible at this time of night with such a short time allotted to me to make any extended remarks upon this important subject, but I am equally well aware that if I had a longer time anything I might say would not change this bill in any particular. We are told that no amendments will be permitted and that it is fully determined that the bill shall pass this House in the manner in which it was reported by the Ways and Means Committee. This leaves no opportunity for any Member to procure an amendment or to comply with the requests of his constituents who want it changed.

I was very much interested in what gentlemen on both sides have said during the day. Some of it I agree with and much of it I can not agree with. I favor the income tax, but no one can vote for it separately or without voting for the whole bill. I can not believe when I read the history of this country that it will prosper under free trade or tariff for revenue only, which is the same thing. I have heard gentlemen here say to-day that they do not know what effect the passage of this bill will have upon the industry or the prosperity of this country. I wondered, then, to myself why it is, when we consider the present conditions, that we should take this leap into the dark, not knowing whether it is going to preserve the splendid conditions that we have to-day and that exist throughout the country.

Abraham Lincoln was a protectionist, and if he was right at that time the principles of protection are right to-day. The great Republican leaders of this country have been protectionists, and our country has gone on in this magnificent prosperity under protection within the past decade from \$115,000,000,000 to the fabulous wealth of \$150,000,000,000.

Now, where is the necessity for a change in our fiscal condition? We can not hope that our condition will be better, nor is it expected that we will reap greater prosperity. We are told that it is done for the purpose of fulfilling a promise and party pledges, if you please. But the Democratic Party did not receive a majority of the popular vote at the last election. More votes were cast for the principle of protection than for free trade or a tariff for revenue only.

Now, there are many phases and features of this bill which work a great injustice. They say it will not affect any legitimate industry. I would ask any reasonable man to turn back to the times and conditions of the former bill for a tariff for revenue only and compare the times then with the prosperous times of the present.

I am not ready to admit that the making of a tariff bill is a simple matter where equity and exact justice is to be done to all classes concerned. I am willing to admit that if we adopt the rule followed in this case where we act blindfolded, or where

we only compute the revenue necessary to run the Government and estimate the imports, that it is not a difficult matter. That is the basis of a tariff for revenue only, and it is not difficult if each one dollar of imports bears the same rate of duty that every other dollar of imports bears. But that is not equity. That is not justice, because some articles should pay more duty than others, and the only way to levy a duty for revenue only is upon articles we do not manufacture or produce in this country. If the duty gives incidental protection or adds to the cost of an article, it is to that extent a protective tariff and not considered in the make-up of this bill. Such a tariff as is contemplated by the proposed measure ought to be levied upon articles we do not manufacture or produce in this country.

Mr. Chairman, I can not support the pending measure, for the reason that I do not find in its provisions any encouragement for the industries of our country. It is a direct blow at our agriculture, which is the greatest of all our industries and which brings more happiness and prosperity to a larger number of people than any other industry. There is no need for the assault upon the American farmer that is made in this bill by putting nearly all of his products upon the free list or at a very low rate of duty and compelling him to compete with the agricultural products of foreign countries.

Foreigners do not defend our flag; foreigners do not build our schoolhouses and our churches; foreign nations do not build our highways nor do they seek to promote our national welfare. They would prefer to promote our national downfall. This tariff bill is unjustly discriminatory. It permits other countries to levy duty on our products, while they can import their like products without paying duty into our country. It places a duty on the raw material, while it allows the finished product to come in free. Meat and flour are imported free of duty into this country, while cattle, sheep, wheat, rye, and oats pay a duty. Live stock and grain must be manufactured into meat and flour, and it is inconsistent to charge a duty upon the raw material while permitting the manufactured product to come in free. If you wish to help the American workman and the manufacturer, put a duty upon the manufactured article.

We are engaged in the duty of enacting the economic law of our country which shall control under the Democratic administration now in power. This bill has been assailed by some of the greatest economists of our country as being drastic. No more important legislation will be considered than that relating to the tariff. It forms the dividing line between the two great political parties. It affects the manufacturer, agriculture, and commerce of the Republic to a greater extent than any other measure that will be considered. It is of vital interest to the laboring classes. Labor and agriculture are the foundation and source of all our prosperity. Thomas Jefferson gave special prominence to agriculture and commerce in his first inaugural address. For the vantage ground of national prosperity we are competing in the make-up of the world's progress with all nations of the earth, and in the conduct of affairs for national supremacy in trade and uplift I concede that all of us, of whatever political faith, have only the best interests of our country at heart, and whatever differences of opinion exist between us are based upon honest convictions.

I, for one, do not believe that the welfare of our country is best subserved by the tariff becoming or remaining a party measure or that the tariff should be made the test of party success or party reverses.

During our national existence many tariff bills have been enacted into law. We have had high protection, low protection, and so-called tariff for revenue only. Truly out of all this experience in framing tariff legislation the burden should be lighter and the pathway plainer in arriving at what is best for our country and all the people. The appointment of a nonpartisan tariff board chosen by the President and confirmed by the Senate is demanded by the people. This commission ought not to fix rates, but furnish basic information upon the relative conditions of all trade, foreign and domestic, and the relative effect upon our industries and commerce in imposing, changing, or altering the tariff rates and duties. Everyone admits that we are a happy, prosperous Nation; that as a Nation we are so far ahead of all others as regards the prosperity of all to admit of no comparison. I give due credit to our Democratic friends on the other side for their personal part in aiding that prosperity; but you must admit that we have attained this exalted national supremacy under a protective tariff, and that there is no free trade period or tariff for revenue only period known to such prosperity. The exact reverse is true. I want to give one concrete example. Under the last year of the Wilson-Gorman free trade tariff for revenue only bill in the fiscal year of 1897, and before the Dingley bill took effect, there was imported into this coun-

try more wool than during any prior year or any year since the fiscal year of 1897. The older Members of this House know of their own knowledge that good sheep sold for 75 cents a head during those times of adversity. In the fiscal year of 1897 350,000,000 pounds of wool were imported into this country under the free wool tariff, while the greatest number of pounds of wool imported in any one year prior to the passage of the Wilson-Gorman bill was 172,000,000 pounds in 1892, and the most wool imported in any one fiscal year since 1897 was 266,000,000 pounds in 1908; and this is true notwithstanding the fact that we have increased in population more than 25 per cent since 1897.

No one will dispute that where the duty is excessive or where rates are levied in excess of fair competition and reasonable rates they are too high. Rates are too high when the law will permit the manufacturer or producer to charge an unreasonable price for his product. In such cases it should be lowered. But no bill should indiscriminately make an unwarranted assault upon the industries of our country so that our manufacturer can not pay his labor American wages or compete with his foreign competitor, who pays much less for his labor than is paid in this country.

Much has been said about the efficiency of the American workman. The efficiency of the American workman is not questioned. He is the superior artisan of all the workmen of the world, but that he should be compelled to do twice the work of a foreign workman in a day's time or in the same number of hours in order that the American manufacturer can compete in the markets of the world with foreign manufacturers is exacting too great a toll on human efforts and is expecting too much from the laborer. Any economic law which has for its basis the principle that the American laborer does or ought to do as much again in a day's time or any other given time as the foreign laborer is wrong in theory and in fact. A laborer should only be required to do a day's work, and for it should be paid a reasonable wage. The wage should be one which will support himself and family, educate his children, and admit of an assured competency to provide against want in old age.

It is claimed that under this bill our imports will be increased \$241,000,000. How can you claim that by increasing the importation of farm products you will benefit agriculture? How can you claim that by increasing the importation of manufactured goods you can benefit the American manufacturer? Or how can you claim by importing manufactured articles you can increase the demand for or the wages of American labor?

Why is it that wages are low in protected Italy and Germany while they are high in protected America? The proof of the pudding is in the eating. The fact exists. Wages in Italy are only one-third of what the wages are in America, while wages in Germany are about one-half in like trades and occupations. This is the result of their thick population. In Italy the population is 300 to the square mile, and in Germany it is the same. In America the population is only 30 to the square mile. In Italy and Germany there is not sufficient work for their people to do. In America there is good, profitable, dignified labor for all at good wages.

Why the demand for this drastic free-trade measure? The claim is made that it is to reduce the high cost of living. It is also claimed that it is to carry out the mandate of the people and fulfill the party pledge. One of the purposes, as stated in the bill, is to reduce tariff duties, and if enacted into law it will certainly do that. But why reduce the tariff so much that it will destroy the industries of our country or depress agriculture? No one wants that to be done, and no explanation is offered to show that the passage of this bill will not have this effect. Foreign nations are hailing the passage of this bill and its enactment into law with delight. Why, you may ask? Because it will provide a rich market for a quarter of a billion of their products of field and shop.

Buy in the cheapest market and sell in the dearest market is an old Democratic slogan. There is no cheap market anywhere when you have nothing with which to buy. Without money with which to buy everything is dear. The best market in the world is the American market, and it should be preserved for the American people against all comers, to lend happiness and prosperity to their eternal welfare. You say it will bring down the high cost of living? I find that the cost of agricultural products is 25 per cent cheaper this year than last. I notice by an article in one of the local papers of my district that the price of kraut does not pay for cutting the cabbage, and onions can find no market. Potatoes are 25 cents a bushel, wheat 90, hay \$10, and I am constrained to inquire whether in this bill the farmer is to be made the goat? You have reduced the tariff on his products one-half or put them on the free list.

Articles.	Present rate of duty.	Proposed new tariff rate under Underwood bill.
Wheat.....	\$0.25 per bushel.....	\$0.10 per bushel.
Oats.....	\$0.15 per bushel.....	Do.
Barley.....	\$0.30 per bushel.....	\$0.15 per bushel.
Beans.....	\$0.45 per bushel.....	\$0.25 per bushel.
Sugar beets.....	10 per cent ad valorem.....	5 per cent ad valorem.
Onions.....	\$0.40 per bushel.....	\$0.20 per bushel.
Apples.....	\$0.25 per bushel.....	\$0.10 per bushel.
Buckwheat.....	\$0.15 per bushel.....	\$0.08 per bushel.
Hay.....	\$4 per ton.....	\$2 per ton.
Straw.....	\$1.50 per ton.....	\$0.50 per ton.
Butter.....	\$0.06 per pound.....	\$0.03 per pound.
Eggs.....	\$0.05 per dozen.....	\$0.02 per dozen.
Cheese.....	\$0.06 per pound.....	20 per cent ad valorem.
Rice.....	\$0.02 per pound.....	\$0.01 per pound.
Cattle.....	\$27.50 per head.....	10 per cent ad valorem.
Horses.....	\$30 worth \$150.....	\$15 worth \$200.
Sheep.....	\$1.50 per head.....	10 per cent ad valorem.
Wool.....	\$0.11 per pound.....	Free list.
Swine.....	\$1.50 per head.....	Do.
Potatoes.....	\$0.25 per bushel.....	Do.
Meats.....	\$0.015 per pound.....	Do.
Flour.....	25 per cent ad valorem.....	Do.
Cream.....	\$0.05 per gallon.....	Do.
Cornmeal.....	\$0.40 per hundredweight.....	Do.
Buckwheat flour.....	25 per cent ad valorem.....	Do.
Oatmeal.....	\$1 per hundredweight.....	Do.
Rye flour.....	\$0.25 per hundredweight.....	Do.

This is significant when we see by your report that in 1912 there was imported into this country of these farm products the following quantities:

Imported in the fiscal year of 1912.		
Wheat.....	bushels.....	2,684,381
Oats.....	do.....	2,721,037
Barley.....	do.....	2,768,474
Beans.....	do.....	825,720
Onions.....	do.....	1,433,797
Potatoes.....	do.....	13,740,481
Hay.....	tons.....	699,213
Butter.....	pounds.....	1,005,640
Cream.....	gallons.....	1,120,240
Eggs.....	dozens.....	1,098,702
Cheese.....	pounds.....	46,017,406
Cattle.....	head.....	316,002
Wool.....	pounds.....	193,770,722
Meats.....	do.....	1,822,933

These importations will be greatly increased in quantity under this bill.

The importance of agriculture can not be overestimated. Farming is seeing the dawn of scientific treatment more clearly than heretofore. New methods of culture are being studied. The exodus to the city is being discouraged. Is all the effort to make farming more profitable and country life more desirable to be arrested by the hands of the lawmakers of our country? Is the hand of the husbandman to be stayed and the greatest of all industries retarded, the value of farm holdings diminished, and the profit of his toil swept away? We are at a loss to know of any good reason why this should be done. The Ways and Means Committee have not furnished one. When it becomes a law and the people see and feel its effects, you will abandon search for a reason and vainly seek for an excuse.

MR. PAYNE. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. BARTON].

MR. BARTON. Mr. Chairman, in the five minutes yielded to me by Mr. PAYNE I can not argue the question of tariff. I can only enter my protest against the bill.

I came to this session prepared to vote on any tariff bill wherein the revision was downward and based on a scientific investigation that would give protection to the industries and laborers of this country against the invasion of cheap foreign labor and industries. This bill, in my judgment, is simply a makeshift, based solely on the judgment of a few inexperienced men and not given proper consideration by the representatives of the people in Congress. The Democratic Representatives in caucus were told what to do and did it. This is proven by the comparatively few changes from the original draft. I am disappointed and surprised that new Democratic Members, coming here fresh from the people, did not break the rule of "Cannonism." That rule is justified by your leaders in saying, "Republicans did it." Does that make it right? You gave the bill, in closed caucus, about three weeks' consideration. You will force the House of Representatives to approve it in five days. Is that fair in considering a bill of this importance?

Your whole bill is class legislation, written for the food consumers without one thought for the food producers. Is it because the congested centers you represent are food consumers? Why did you not remove the duty on rice? Is it because the rice is raised in the South and you believe just that much in a protective tariff? Why did you not put cotton products on

the free list? Could not you raise your revenue on *agricultural products*? Have the food producers—the farmers and stockmen—of this country received more than their share of the present prosperity? You strike such a keen ax at the root of the agricultural tree, and you will see the tree wither and the leaves fall.

I do not need to pile up statistics mountain high to prove that the American producers of cereals, hay, and meats are placed at a disadvantage when brought into open competition with the wheat growers of Argentina, the herders of Brazil, and the farmers of Australia and Canada. Not because our climate is not as favorable, not because our farmer is lacking in enterprise or integrity, not because he is not favored by industrial inventions, but his handicap is the thing of which we boast—higher land values, higher wage scale, better methods of living. These factors enter into the cost of production.

In every speech I have heard from the opposite side I hear the plea for the reduction in the cost of living. What matters it to you if the price of foodstuff and clothing is cut in half and you have not the wherewith to purchase it? [Applause.] You could reduce the cost of living by importing "coolie labor" to this country in competition with our sturdy farmers and diligent laboring men, but would you advocate it?

Are you prepared to tell the American farm hand, who to-day has the right to hope that he will become a farmer in his own right, that his wages must be cut to the basis of the Argentinian laborer at \$10 to \$12 per month, or the Brazilian tiller at from \$12 to \$14, or the Chilean at from \$8 to \$10? Are you prepared to promise the farmer that the railway transportation rates from the West will be reduced to the point where he can meet the water competition of his foreign rivals? [Applause.]

I am not pleading for the protection of an "infant industry" in the nature of the small farm, but I am urging that the man on that farm be not reduced to a condition of poverty. It has been the proudest boast of this Nation since the establishment of its independence that poverty and servility are not hereditary; that because a man's father and his grandfather and countless generations before him have been dependent tenants that his lot must remain the same. It is the spirit of the freeholder that we as a Nation have tried to engender in the hearts of every native-born American and of every foreigner who has come to our shores and become a part of our national life. [Applause.] But can this spirit continue to thrive if we cripple it by unfair and unworthy competition?

Consider this bill schedule by schedule and I will vote with you on every point that I consider fair and just to the people I represent. I believe in an income tax, but not in all of the provisions incorporated in this bill. You force me by presenting this bill as a unit—as you did the sundry civil bill—to vote against provisions I favor in order that I may protect my district from the unjust provisions it contains. Is this Democratic? Is this fair?

The bill as a whole is unjust to my people. The farmer, the beet raiser, the woolgrower, have been made the "goats" in this tariff bill, and a goat is a disagreeable factor when molested. You have challenged him to combat and the future will prove to you his staying qualities. [Applause.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. KREIDER].

CONDEMN METHODS USED IN THE PREPARATION OF THE BILL.

Mr. KREIDER. Mr. Chairman, tariff legislation, and especially when it is of such a sweeping character as that proposed by House bill 3321, should be carefully considered, and ample time should be allowed for a free and open discussion before the entire House. This bill has been prepared by our Democratic friends in secret caucus and is now presented in its completed form with the distinct understanding and determination of our friends on the other side of the House that it shall pass in its present form.

DENIED A VOICE IN LEGISLATION.

Many of us are new Members, and for the first time sit in this House representing constituencies that are vitally interested and affected by the provisions of this bill; and whether we are old or new Members, unless we have been elected on the Democratic ticket, have not had and will not have a practical voice in this proposed legislation. This bill has been prepared by a mere handful of men who have either no practical knowledge of business conditions or by training and interests are impelled to look only on one side of the question.

DO NOT REPRESENT A MAJORITY OF THE PEOPLE.

These men seem to think that because they are in the majority in this House that they, and they alone, are commissioned to draft this legislation. Let me remind them, in all kindness, that they do not represent the majority of the people

of this country, neither did they receive a majority of all the votes cast at the last election; therefore the "free-trade" or "tariff-for-revenue-only" policy of the Democratic Party was not approved by a majority of the electors of this country, and, even had they been, the methods adopted in the framing of this bill would not be justified. No method can be approved by the American people that does not give all the representatives of all the people a voice in legislation that affects every citizen of the United States.

DEMOCRATIC PLEDGES.

Let me call your attention to the pledge given by the Democratic Party to the American people in their platform. As to the right of the people to rule, their platform says:

We direct the people's attention to the fact that the Democratic Party's demand for a return to the rule of the people, expressed in the national platform four years ago, has now become the accepted doctrine of a large majority of the electors. We again remind the people that only by a larger exercise of the reserve power of the people can they protect themselves from the misuse of delegated power—and so forth.

Has the course pursued by our Democratic friends been in accordance with their platform pledge? Has not this very method been condemned by them; or do they consider their action a fulfillment of their pledge when a majority of the people are denied a voice in this all-important bill? Again let me quote from the Democratic platform. It says:

Our pledges are made to be kept when in office, as well as relied upon during the campaign, and we invite the cooperation of all citizens, regardless of party, who believe in maintaining unimpaired the institutions and traditions of our country.

Is this a keeping of their pledge when in office? It was no doubt relied upon during the campaign by the voter.

PROVISIONS OF THE BILL.

Now, as to the provisions of this bill: It is almost inconceivable that the American Congress should be asked to pass a bill drafted by Members of this House who deliberately choose to favor foreign industries and foreign workmen rather than American. If this bill is passed as it is written then our industries can only prosper when they are located in foreign countries beyond the seas.

TARIFF AN ECONOMIC QUESTION.

It is extremely unfortunate that this whole tariff legislation can not, and is not, considered from an economic instead of a political standpoint; it is an economic question and not a political one. So long as it is considered from a political standpoint just so long will the political club be used to drive men in line and tie them body and soul by the political caucus to support the measure, regardless of its true merits or the consequences it may have upon the interests of any Member's constituents or the country as a whole. The American people will never forget the sincere effort and honesty of purpose of the Republican Party to sever this question from politics. It was a Republican President who first proposed a nonpartisan tariff commission, and at a time when all branches of the Government were in control of the Republican Party, for the express purpose of obtaining information that would enable Congress to write a tariff bill that would be just and equitable to a majority of the people of this country.

PROSPERITY.

During the last 50 years this country has had an era of internal development, of internal growth and prosperity, that no one had dreamed of, and one that has never been equaled by any country at any time anywhere. It has not only attracted the attention but commanded the respect and admiration of the entire civilized world.

MERITS OF PROTECTIVE TARIFF.

It is an undisputed fact that during this era of prosperity there was a protective tariff in force, and it has been the experience of this country that whenever that tariff was replaced by a so-called "tariff for revenue only" we paid the penalty by disastrous and ruinous panics. What we want to do is avoid a repetition of these conditions.

HAVE RIGHT TO EXPECT BETTER BILL.

I am not opposing the passage of this bill because it is a Democratic measure. I am opposed to it because of its vicious provisions. We have a perfect right to expect and even demand from our Democratic friends a bill more in harmony with the interests of the country, and especially with the interests of the farmers and workmen. As a justification of this statement, let me call your attention again to the Democratic platform, and remember you stated that your pledges were to be kept when in office, as well as relied upon during the campaign. It says:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate business.

This is all we ask. We want no other. The Republican Party and the members of the Republican Party recognize and acknowledge the fact that the Payne bill was not a perfect measure, nor was any previous tariff bill perfect, neither did nor do we expect a perfect bill from our Democratic friends. We recognize the fact that the time allotted to the Ways and Means Committee and to Congress is entirely too short to properly investigate each item in each schedule in this entire bill, and especially in the absence of impartial technical knowledge, such as would and should be furnished by the tariff commission; but we have a right to expect a bill in accordance with the pledge of the Democratic platform that will not injure or destroy legitimate business, and we also have a right to have a consistent bill. This bill is not only vicious but inconsistent.

INCONSISTENCIES OF BILL.

When you present a bill that provides for a tariff of 10 cents per bushel on wheat, and then put flour and bran, the products of wheat, on the free list; put a tariff of 10 cents per bushel on rye, and then put rye flour on the free list; put a tariff of 10 per cent ad valorem on cattle and sheep, and all other live animals not especially provided for, and then put wool and beef, veal, mutton, lamb, and pork on the free list, it is not consistent, and the Democrats knew it was inconsistent when they presented it.

UNFAIR AND UNAMERICAN.

A bill that places manufactured articles, in which a considerable portion of their value is labor, on the free list is absolutely unfair to the American manufacturer and wage earner, and I submit to you that any legislation that does not take into consideration the interest of our wage earners is un-American and not worthy of serious consideration. Any tariff bill that does not provide a duty equal to the difference in cost of production between here and abroad can not and does not protect American labor.

COMPETITIVE BASIS.

We are told that it is the policy of our Democratic friends to put all lines of manufacture on a competitive basis with foreign countries; that is to say, that a certain proportion of the articles we use shall be imported and the duty on each article should be determined and regulated by the volume of importations of that article, and in this way maintain a competitive basis in all lines of trade. If the volume of importations increases beyond a certain point, raise the duty; if they fall below a certain point, then lower the duty, and in this way protect the American public from overcharges and monopolistic greed on all articles. This is to be their cure-all for all tariff legislation.

WILL NOT BRING RESULTS.

The intention is good—we are all emphatically opposed to overcharges and monopolies or special interests—but, Mr. Chairman, I submit to you that this proposition will not bring about the desired result, because it is fundamentally wrong and can not bring satisfactory results. It places a penalty on thrift, economy, honesty, and ability, and puts a reward or premium on waste, incompetency, and dishonesty; for instance, should there be a trust or combination manufacturing a line of goods having agreed-upon prices, selling the goods to the public at a high price, the importation would naturally be large, because the high price charged will permit importation by the foreign trade; then that line is on a competitive basis, according to the Democratic doctrine, and the duty may be retained, notwithstanding the fact that there never was free and open competition, economy in manufacture never being necessary or practiced. On the other hand, in other lines of manufacture where the most fierce, free, and open competition has prevailed for years, compelling the greatest possible economy in the minutest details of manufacture, as well as in the marketing of the goods, resulting in the placing of the goods on the American market at so low a price as to practically prohibit importation, then the duty on such lines of goods must be reduced or put on the free list, thereby penalizing the industry for not forming a combination and raising the price so as to allow a proper amount of goods to be imported.

SELLING PRICE AND COST.

The selling price on all articles is regulated by the cost, and the price of labor is just as positive an item of cost as is material. Cost of material—that is, raw material—is about the same in all countries, but there is a vast difference in labor cost in different countries; therefore the tariff duties should be based on the difference in labor cost on each manufactured article instead of volume of imports. If this is done, then and then only will we accomplish the purpose we are striving for and desire to accomplish.

I might incidentally refer to the boot and shoe industry of this country, because I am intimately acquainted with it, which

is one of the largest industries in the country, having an invested capital of between \$200,000,000 and \$300,000,000 and employing hundreds of thousands of workers and paying millions of dollars to their help each year. According to census reports the volume of business of the boot and shoe manufacturers, including cut stock and findings, in 1909 amounted to over \$512,000,000—to be exact, \$512,797,042—as compared with \$357,688,160 for 1904, showing an increase of over \$157,000,000 in five years—over \$31,000,000 each year—so that the estimated volume of business for 1912 is over \$615,000,000. It is a larger industry than either the wool or sugar industry, and yet it has received practically no consideration. The shoe manufacturers appeared before the Ways and Means Committee and stated their position, and explained that in order to save the industry and protect the workmen from cheap foreign competition it was essential—and made the modest request—that the small duty of 10 per cent on boots and shoes should be retained. But they find them on the free list in this bill. This industry and the men engaged in the shoe factories must be penalized and punished because the manufacturers placed the price of shoes so low and have supplied the American people with such good footwear that even with the nominal duty of 10 per cent they have made it impossible for foreign manufacturers to gain a foothold in the American markets. They have done more; they have even invaded the foreign markets and committed the "unpardonable sin" of shipping shoes of certain grades to foreign countries, even to the extent of \$16,000,000; so, of course, off goes the measly 10 per cent duty and shoes go on the free list, and the American market is invited to become the dumping grounds for all grades of shoes, the product of the pauper labor of all foreign countries, and the American workingman is put in direct and open competition with the lowest of the underpaid foreign workmen.

Here is a great and most important industry pleading for a duty that will protect the cost of labor, and labor only. The competition has been fierce, free, and open; it has caused the greatest possible economy to be practiced in the minutest detail of manufacture. The competition has forced the reduction of profits to the point where only the fittest have been able to survive, and now with unfair, unequal competition of foreign-made goods, with a labor cost that is only a fraction of the American cost, it remains for the American manufacturer to either turn over the business to his foreign competitor, reduce the wages so that he may be in a position to compete and retain his market, or remove his factory to foreign land, which no doubt many will do. They are told that because the importation of shoes is so small the trade is not on a competitive basis, and for this reason shoes are placed on the free list, plainly penalizing all connected with the industry for thrift and economy.

ARTIFICIAL VALUE.

Again we are told that the objection to a duty on any article equalizing the cost of labor between here and abroad is that it creates an artificial value, which is a direct tax on the consumer, which he should not pay. This is to say that American labor is on an artificial basis, and that we are paying an artificial price for it, directly the result of the protective tariff. There is no question but what this bill will reduce the price of labor, but where shall we find the standard or real value of labor? Shall we accept the English scale as the real or true standard, which is about one-half of the American price, or shall we go to continental Europe, where it is still less, or go to India—Calcutta, for instance—where an able-bodied man receives from 8 to 15 cents per day. Do we realize that the standard of living always follows the wage scale; in fact, the standard of living is just what the wage scale permits it to be. No one on either side of this House desires to do an injustice to labor, but this bill utterly disregards and ignores the wage earner. There are millions upon millions of wage earners in our factories, in our mills, in our mines, on our farms, everywhere, whose welfare, happiness, and earning power will be impaired. They can not and must not be ignored.

They are the all-important factor in our national life. They are the great consuming public. They are the great purchasing power of the Nation, and it is only when the wage earner has steady employment at a fair wage that this Nation can and does prosper. The moment that you interfere with their earning power you strike at the very root of national prosperity.

The distinguished gentleman from Alabama, chairman of the Ways and Means Committee, very kindly referred to the labor unions in his splendid opening address, and gave credit to the unions for the present scale of wages paid in this country, but at the same time he presented a bill that entirely ignores them and will utterly destroy the wage scale now established and in force. The distinguished gentleman told us that this bill is drawn with a view of putting all lines of production and manu-

facture on a competitive basis and encourage importations to the end that the cost to the consumer may be lessened; but does not the gentleman realize that with every manufactured article imported into this country comes with it a certain amount of foreign labor? Not only that, but just that much less American labor will be needed. And does he not realize that if any considerable quantity of manufactured goods are imported there will be a surplus of American labor?

The American labor market will be glutted and result in a lowering of wages.

The wage earner has his labor to sell; it is his stock in trade, and is in no way different from any other market. If labor is scarce, as it has been for some years, it commands and sells at a good price, but if there is a surplus of labor it must be sold at what it will bring, and bear in mind that it must be sold. The family must live, and when he is compelled to sell it in free and open competition with the foreign market, can he hope to get more than the market price?

Again I shall quote from the Democratic platform. It says:

American wages are established by competitive conditions and not by the tariff.

True, the tariff does not establish the wages, but it does establish the condition, and the condition, or perhaps better, the demand, establishes the wages. The only excuse offered for refusing to protect labor by equalizing the cost of production is that it is so difficult or not possible to ascertain the labor cost. This is all a mistake. As a matter of fact, the labor cost is no more difficult to obtain than cost of material or selling cost, or any other item, and is known and readily available down to the minutest detail. If there be first a willing mind the rest is easy.

In conclusion. The purpose and object of the distinguished gentlemen who wrote this bill was no doubt to legislate in favor of the consuming public, but who is it that will really benefit if this bill is passed?

The farmers and stock raisers can not, because their products are on the free list, or nearly so.

The manufacturers can not, because their products are on the free list or protected by an insufficient duty.

The millions upon millions of wage earners can not, because their products must be sold in the open market with foreign competition.

The class that will benefit are the indolent and idle rich; their business will not be affected. "They toil not, neither do they spin," so they have nothing at stake. [Loud applause.]

Mr. PAYNE. Mr. Chairman, I yield to the gentleman from West Virginia [Mr. Moss].

Mr. MOSS of West Virginia. Mr. Chairman, it may be with excusable timidity that I arise in this Hall in the presence of so many distinguished and learned men who have made the subject of tariff a lifelong study. The people, however, of West Virginia whom I represent, are so vitally interested and will be so seriously affected by the passage by the Democrats of this Congress of the tariff bill, as now framed by them, that my duty impels me at least to remonstrate and protest against the injustice which will be inflicted upon my constituents. The great State of West Virginia, with its untold resources, its vast natural wealth, its varied industries, and its intelligent people, never gave consent to a reckless attack by the Democratic Party upon the industries of this Nation; but, on the contrary, by the election of four Republican Congressmen, elected by the aid of the Progressives of West Virginia, that great State announced in no uncertain terms that it preferred to live and thrive under the peace and prosperity of protective administration. But the misfortune of a divided party in the Nation gave technical victory to the Democracy, and though the majority of our Nation's voters registered their adherence to the great doctrine of protection, as enunciated in both the Republican and Progressive platforms, yet Democracy, though indorsed by a mere minority, feels called upon once more to throw this great Nation into the uncertainty, the fear, and the demoralization resulting from tariff agitation.

I stand upon the American doctrine of protection and the creation of a tariff commission, both of which are important planks of the Republican and Progressive platforms. In one sense the tariff question is and always will be political, for the Republican Party has always stood for protection to American industry, American labor, and American homes. The Democratic Party has always opposed it. And incidental to this doctrine we have always believed it proper, speaking generally, to levy duties upon articles or products which we produce in this country rather than upon those imported from other countries which we do not produce. The Democratic doctrine, with some modifications from time to time, has been that the object of tariff is to raise revenue without any fixed policy as to the

manner in which that revenue should be raised. This means that that party advocates a hit or miss tariff policy, and when in power is more prone to remove the duty from articles coming from abroad which are also produced in this country than they are upon articles not so produced here—the very doctrine which has resulted every time it was tried in bringing disaster to the people of this country.

In another sense the tariff question is not a political question. When it comes to fixing the proper amount of tariff rates, that is the work of a statistician and not a politician. We favor a nonpartisan tariff commission composed of men of the highest character, stability, and learning appointed by the President, with the advice and consent of the Senate, to enter upon a searching inquiry, both here and abroad, as to the comparative cost of production here and there, and other conditions surrounding the question, and then to lay this information before the Congress so it can intelligently act upon this important problem. The Democratic Party, however, have just proven by the drafting of this tariff bill that they are in favor of approaching this important question by guesswork and not by scientific methods, and the bill which has been introduced by the majority leader, Mr. UNDERWOOD, and which the Democratic President has ordered his party to pass, is a juxtaposition of inconsistent and irreconcilable tariff patchwork, and it is so presented to us that we must vote for all or none of it—we must swallow the whole dose, good and bad, mostly bad, or else reject it all. For one, I shall not partake.

In the first place, the Democratic tariff bill was not framed after a full and fair hearing. Men who represented the farmer, men who represented labor, men who represented capital employed in vast manufacturing industries of this country, were denied even the right to be heard. A tariff bill involving hundreds of articles and products was framed in a few weeks behind closed doors and backed by orders from the Executive Mansion. While Federal patronage is being withheld until Congressmen shall obey the commands of the President, this mass of heterogeneous elements, dignified by the name of a tariff bill, is introduced in the House of Representatives of the United States by the leader of the party, and will be pushed through the House after only five days of debate. Is it true that our friends on the other side are possessed of such superior intellect and so much keener perception than the average statesman ever claims to possess that they can frame tariff bills offhand and secure the peace and prosperity of this country by their passage?

It does seem superfluous, after a century of tariff experience, to argue that free trade, or any approach to free trade, is disastrous to this country. Every time it has been tried we have had desolation and distress. Every time a truly protective-tariff law has been enacted it has been followed by unexampled prosperity, and yet our friends on the other side, in order to again test the theories which they profess to love so well, are ready to turn their backs upon the light of experience and again grope in the dark night of experiment. And the American people must pay the penalty.

Perhaps it is the way of Providence. The great Republican Party has been split in twain by internal dissension. Lincoln, Blaine, McKinley, Grant, and Garfield, and all the other great and illustrious names possessed by that party that have adorned the pages of history, were forgotten, and, with open eyes, that party walked over the precipice of defeat in the year 1912. What will bring unity? What will bring back its pristine strength? What will induce the partisans of men to put principle above personality? I predict, my friends, that the great moving cause that will unify that great party and make these men forget their feuds and factions when confronted by the call of their country's good will be the dire result of the passage of the Underwood bill, which will follow as surely as the darkness of night follows the splendor of day. Back there in the hills and valleys of my own great State of West Virginia there still remains some of that bitterness and animosity which the division of our party last year engendered; but if those men could only be here now and could behold this blind and reckless band of Democracy stamping out the American doctrine of protection, opening wide the door to the competition of pauper labor, and deliberately plunging this country into financial and economic depression, all to carry out a pet theory of their own—if they could be here and see all this as we see it there would be no further division in the Republican Party. The Republican Party must be progressive. The people of this country will indorse no party that stands still. It has received the punishment and, I believe, learned its lesson. There are now strong indications that it will resume its old-time leadership in the march of progress. Those of us who love her will stay with her so long as she will live up to her historic tradi-

tions. But should she prostitute her pristine purity, become but the petty agent of privilege, and give to an expectant public but her empty name, then will we spurn her as treachery alone deserves and unite under some other name to wage battle against the destructive and devastating forces of Democracy. That hour has not yet come, and I hope to God never shall; and I believe that this present year will show that this grand old party still stands for protection, for a sound dollar, for the cause of the great common people, their active participation in the affairs of this Government, and for the maintenance of the honor and glory of our flag, whether it wave over the dome of the Capitol Building here in Washington or over the sunny islands of the distant seas.

The spokesman of the Democratic Party in this Congress is the Hon. OSCAR UNDERWOOD, of the State of Alabama. He is indeed a splendid gentleman and a most pleasing personality. We give him full credit for his great ability and his sincerity, and it was indeed a privilege which I highly prize to have heard his speech on the opening day of this debate, setting forth the views of his party on this great question. I am, however, compelled to say that, in my humble judgment, the premises upon which his argument is based are so fallacious, his theories so much at variance with the experience of the past, and his argument to establish the correctness of such theories so strained that we were impressed with the difficulty of his case and sympathized with him personally in his efforts to defend the indefensible position of his party. He speaks of the cost of living and quotes statistics to show that since the year 1897 farm products have increased 93 per cent, and attributes that to the tariff. The prosperous farmers of West Virginia can testify that in recent years, during Republican administrations, they have been able to secure a fair and decent price for the products of their farms, and I do not believe that the gentleman's complaint about the prosperity of the farmer will be received with much relish by that industrious and intelligent class throughout this Union. If a Republican tariff is responsible for justice and equity to the farmers of this country, then make the most of it, but do not advance as an argument against the great principle of protection the fact that under a protective tariff the farmer enjoys his share of prosperity, while under the tariff for revenue only, as experience has proven, he receives more than his share of common disaster.

The high cost of living is caused by surplus of gold production, increased migration from the country to the city, monopolies, and other reasons that time will not permit me to discuss, but it is not caused by a protective tariff. It is a world-wide complaint—of free-trade as well as protective countries. But if it were so caused, the concrete proposition is reduced to this: Would you rather pay reasonably high prices for the necessities of life and have the money to buy them with, or do you favor cheap prices and empty pockets? When people have money they consume without stint or restraint, and the supply, therefore, equals or surpasses the demand. When they have not money they economize, reducing themselves to bare necessities, and thus reduce the demand and thereby the price.

I lay it down as a fact which can not be challenged or contradicted that the American laboring man is paid a higher average wage than the laboring man of any other country on the face of the globe, and with that wage has come a higher standard of living. Again I assert—as statistics clearly show—that the American laborer can buy much more of the necessities of life with his eight hours' work than can the laborer of any other nation with a similar amount of work. As long as this condition exists it is idle to talk about the superiority of free trade. It seems to me axiomatic that admitting, as our Democratic brothers must do, that the American laborer is paid on an average from at least one-half to two-thirds more than the European laborer, and often twice as much, then if we are thrown into direct competition with the products made by that cheap European labor only one result can follow, and that is that the wages of the American laboring man and his standard of living must be reduced. I am one of those who think that our laboring man is entitled to live better than his brothers across the sea. I believe he is entitled to his little home, to conveniences for his family, to send his children to school, and, in truth, to stand erect in the nobility of manhood and command the respect that honest labor deserves, and I am opposed to any party that advocates the cause of the foreigner in preference to the American and seeks to advance theoretic altruism to the extent of pulling down our own standards and industries in order to build up those of the foreigner. I must say that even the statement of the gentleman from Alabama can not convince the American people that the cost of production is not to a large extent a determining factor of competition in the world's market, and therefore while we should cherish a spirit of brotherhood

toward all mankind it is first our bounden duty to preserve the peace, happiness, and prosperity of our own people.

The gentleman from Alabama again asserts that the protective tariff has prevented our development as a factor in world trade, has stifled enterprise, has put a premium on inactivity. What an astounding statement, coming from the leader of a great party. If all this be true, then the greatness and prosperity of this Nation, which statistics show has surpassed all other nations in industrial and commercial development and progress, is but a passing dream and facts about which no unprejudiced mind could heretofore cherish a doubt are but fleeting clouds and a vanishing mirage. The gentleman is mistaken. Protection has made this country commercially great, and has contributed in no small degree to our prosperity and happiness. If this Nation be so hampered and oppressed by a protective tariff, why is it that the citizens of these European countries that our friends appear to envy are pouring into this country as a very gulf stream of oppressed humanity?

It is with sincere regret that I heard this leader of Democracy in that eloquent address appeal to class distinction and class prejudice. He announced that the Democratic Party, by this tariff bill, intended to tax the luxuries of the rich, not the necessities of the poor. Perhaps the gentleman, then, can explain why it is that the tariff on luxuries is not as high, on an average, in the Underwood bill as it is under our present tariff bill, framed by a Republican Congress. Why did you not increase the tariff on these luxuries and carry out your pretensions of punishment of the wealthy class? Why did you reduce the tariff on gold leaf, tinsel wire, aeroplanes, fancy cakes, preserved fruits, lace window curtains, oriental rugs, wearing apparel of silk? Are these not luxuries of the rich? How much of them does the laboring man consume? The gentleman from Alabama says he did not make the tariff high because these luxuries would not then come over. My answer is, They have been coming over under the higher tariff of our present Republican tariff bill. If the wealthy want them, they will buy them. I do not like appeals to different classes in this country. We are one people, bound together by ties of brotherhood, and with common interests to protect. You can not cripple the business of the manufacturer without injuring the laboring man who works for him. You can not crush the American business man without destroying the American farmer. We do not live to ourselves, and when you hurt one man you injure his neighbor, and when, as you propose to do by this tariff bill, you throw almost all American industries into direct competition with the cheap labor of Europe you are injuring every American citizen.

West Virginia cries aloud her protest. The tariff on her earthenware and crockery products has been reduced from 55 to 35 per cent ad valorem; on her hogs, from 13.81 per cent to nothing; on her cattle, from 27.08 per cent to 10 per cent; and by one sweep her wool, her coal, her lumber, her clay, has been thrown into the Democratic hopper of free trade.

There is no doubt in my mind that the present tariff on many articles is too high, but I want to know and not to guess which they are. It should be reduced according to the recommendation of an intelligent tariff commission after thorough investigation. I have no doubt that there are trusts and monopolies that have by their machinations increased the price of necessities to the consumer. If so, those trusts and monopolies should be demolished, their officers prosecuted and be made to obey the law of the land, and, in this connection, we are proud to say that, beginning with the administration of President Roosevelt and coming on down through that and the administration of President Taft, there have been more trusts and monopolies prosecuted and brought to the bar of justice than in all the Democratic administrations put together that this country has ever had.

When the people of this country determined last year that they would, by reason of division in the ranks of the great Republican Party, permit democracy to again assume control of this Government, they did so with the assurance on the part of its candidate for President and its political leaders that no legitimate industry of this country should be harmed. And yet, now in this spring of 1913, only a few months after the termination of that campaign, legitimate industry is threatened as it never was before by the terms of an unfair, illogical, and un-American tariff bill. Our friend, Mr. UNDERWOOD, in the course of his remarks, had much to say of the lemon, and seemed to be concerned as to its growth and production. Let me say that before another year shall roll around our people will be fully convinced that the prize for growing lemons should be awarded to the Democratic Party, because when this tariff bill is passed and signed by a Democratic President, if you will pardon a slang expression, the biggest lemon on record will be handed by this Democratic administration to the American people.

My friends on the other side, beware! There will be no excuse behind which you can hide when calamity spreads over this country as the result of this work here to-day. In 1912, when you were elected, with our bumper crops, our busy and prosperous industries, our plentiful supply of money, we were leading in the march of nations. The fear of your hostile legislation is already having its injurious effect. If you thrust this bitter nostrum down the throat of the American people, and then cast us once more into the dead sea of disaster, you will at the first opportunity be buried so deep that even the call of Gabriel's trumpet can not resurrect you. [Applause on the Republican side.]

Mr. PAYNE. Mr. Chairman, I understand the gentleman from Kansas has 4 minutes to his credit, which he reserved this morning, and I yield to the gentleman, in addition to that, 24 minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for 28 minutes.

Mr. MURDOCK. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. RUPLEY].

Mr. RUPLEY. Mr. Chairman, 50 years in the lifetime of the ordinary man means a great deal. A half century does not mean so much to the older nations, but it marks well-defined lines of progress or retrogression in the history of our country. The last 50 years have seen the trial of the protective tariff.

I have listened to learned expositions on this question from gentlemen from all parts of our common country. We have a right to suppose that they, under our system of government, represent the best thought and intelligence of their respective communities and have at heart the greatest good of their constituency and of the Nation as well.

The system of the application of the protective principle by my Republican friends seems to have suffered little change, except the tendency to run to extremes, since the days of the great war taxes forced upon the Nation by extraordinary conditions. The war has been over for many years, and yet this unnatural financial condition has been accepted as the rational and right criterion after which to follow. This child born in the throes of necessity has been nourished by all the methods known to skillful tariff doctors and clever surgeons of privilege and power. Natural laws apply to policies as to peoples. The heir of this system has proved a hybrid and a revulsion of the public mind has been the result. This fact is proven by the immense majority on the other side of the floor.

I have heard much about the prosperity due to the high protective tariff, and I am free to confess that it has produced among the favored few who are its beneficiaries an age of discovery, not of the amount invested but of the profits to be secured; and then capitalization, far beyond the investment, based on real earnings. Then we have the golden age of 1896, until when, I ask? All the while capitalizing labor, labor, labor—millions of watered stock, made good by labor. First, the counterfeit stock of the United States Steel. Holding labor to the wheel until this stock produces many fold, and then dividends; first, to holders of the stock; second, to surplus; third, to labor? No; third, a new stock dividend for labor to earn additional dividends upon. Nothing for labor, the producer of it all.

The acid test of this proposition is the amount left over and above the living expenses of the family to contribute to the comfort and the welfare of the home. No one denies it brings prosperity to the rich. I ask you, in all fairness, if you believe the benefits are equitably distributed between the rich man and the poor man?

The scholarly gentleman at the other end of the Avenue, the President of this dominant party in the Nation, upon his nomination found in the platform that old socialistic doctrine—

It is a system of taxation which makes the rich richer and the poor poorer.

Members have grown eloquent over the high wages paid the workman. There is no proof that this is due to the high protective tariff. The evil of the system lies in the fact that the wages are not in proportion to the living expenses. The purchasing power of a dollar is the thing most important to the workman and his success. It means that he will be able to keep the boys and girls out of the workshop and in the school. That the standard of citizenship is raised or lowered to the standard of his living.

Is there any advantage given the low-priced laborer over the one highly paid? Surely the scrubwoman is entitled to a return on her commodity—her labor—in the same proportion as the man who has his income increased many times over by means of the protective tariff.

Why does the high protective tariff always produce a surplus, and what happens to it? Labor capitalized in billions to earn dividends for the few favored rich.

The manufacturer not knowing how long this condition is going to last, and knowing the great profits to be had, asks his employees for more of their service. He exhausts American labor, he secures foreign labor, and most of our large mills are now only half American and the other half European.

We hear the gentlemen contend that the American workmen will have to compete with the low-priced laborer of Europe, and every day we see our "captains of industry" importing these low-priced laborers as rapidly as they can to compete right here at home with our workmen. [Applause.]

The high protective tariff has been before the bar of judgment of the American people and has not made out its case—it stands guilty as indicted.

Prosperity, about which we prate, has been only the crumbs from the rich man's table. All too late, this fact has taken hold of the Republican wisecracks. Blood letting will not now suffice. Plastering the sore spots will no longer control the malady. The people have diagnosed the case, and they will apply the cure.

Now, what of the gentlemen from the other side of the House? What is the record of their party and their measures? In their platform they say the Republican Party has brought about a condition where "the rich are growing richer and the poor growing poorer," and the last election seemed to show that the people agreed with them.

The answer to my query is read from the page of the history of the United States. They have been forced by circumstances since the war into the positions they have taken. A party of negation and opposition. To oppose a high tariff they propose a low tariff. Cause and effect. During their spasmodic periods of quasi power they never had a real chance to try their steel before it had to ring back into the scabbard of their endeavors. I have no thought but that it, too, would have proved abortive to real and lasting results because based on false premises. Purgatives relieve, but do not cure. Their present tariff bill is an attempt to meet the demands of an aroused public conscience. They realize that the tariff must be revised downward and that nothing else will appease the public's ultimatum.

In following their bill it is interesting to note how far they have wandered from the great apostle of free trade, Senator Walker. The Walker bill of 1846, framed to embrace the suggestions contained in the celebrated Treasury report of 1845, was considered the last word on Democratic tariff policy. They have abandoned free trade in its purity and are endeavoring to pass a bill "to reduce tariff duties and to provide revenue for the Government, and for other purposes." Walker says, "The Constitution does not confer power on Congress to lay tax for protection, but for revenue only," and that only on that principle can any degree of permanency be established.

That last word in the Democratic tariff policy was also in the platform of this scholarly gentleman who is President of the United States and who, in my judgment, is making good before the American people, and it is contained in the first paragraph of the platform framed by the Democratic convention in Baltimore:

"We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duties except for the purpose of revenue."

I take it that there is no man to-day of reasonable mind but will grant me that there should be a tariff graduated to the needs of our people and the protection of certain industries. Why this constant harangue and political daubing should be repeated at every change of administration is hard to explain on sensible lines.

The ordinary Congressman knows as little, technically, about the tariff as I do. Why is he asked to take a position regularly without knowing what it all means?

Politics is the science of government; it has nothing to do with the art of securing office or place. Among all the great countries of the world we stand alone as being the only one that has not taken the tariff out of business and politics. Is there any good reason to continue the practice of playing policy instead of attending to the public business? Have we not learned through all these years, with our experience, our trade, our finance, our supposed intelligence, that this is a question for scientific men, specially trained; to be settled far removed from political clamor and the heat of debate?

The results of past tariff legislation have been unsatisfactory and of a patchwork variety, as is evidenced by constant and increasing demands for change. Here we are at the guessing game again. If we guess right on some schedules, we are commended; if wrong on some, we are condemned for all.

I would not impeach the integrity and sincerity of the gentlemen on either side of the House. At the present time they are doing the only thing they can do—the Democrats trying to

measure up to the situation in a manner and the Republicans watching their endeavors with the hope of breaking through and profiting by their mistakes. Mark you, the citizens of this great land are awake to conditions.

While I agree that early action should be taken in response to the expressed will of the voters in the last election, I do not agree that it should be taken at the expense of the rights or privileges of any industry or section. You will find that in the Progressive national platform we contend that the tariff question should be controlled absolutely by a nonpartisan, expert commission. This is the safe, fair way to proceed, so that the interests of the poor man may have the same protection as those of the rich man; so that industries needing help may be fostered and those to be curbed can be controlled; that a just relation be preserved between the cost of living and the wage scale; that taxation affecting the necessities of life be reduced to a minimum or removed entirely, and that men and women who work with their hands or their minds may have the same chance to have the comforts of complete living as the favored plutocrat who is living on a part of what these men and women earn and produce.

We are a high-grade Nation in science, in literature, in art, in learning, and the like, yet we fail to keep up the standard in matters political. The national Progressive platform asks for a nonpartisan, scientific tariff commission. Not in form—as was Mr. Taft's—but in fact, so that the scales may be balanced in justice between what we eat and wear and what we earn and produce. That the poor man and the producer shall have his exact share of life's benefits as well as those who are favored in worldly goods. This tariff question is not for bickering nor blustering. We are engaged in a serious business. It touches the hearthstones and their happiness in all the many homes throughout the land. The security and safety of our people to enjoy the liberties vouchsafed them under our free institutions of government means much to our Nation in her upward stride. The demand for social and economic justice has called into being the Progressive Party because too long the demon of oppression has held the reins of power and driven the heavy car of despair as it crushed out ambitions and opportunities.

"Suffering makes the whole world kin," and the suffering of the millions is being heard and answered in a movement which has for its purpose the uplift of man and the ultimate happiness of the race.

The home must be the hub upon which all else revolves, and only in its sanctity and security can a nation rise in service to its God.

This movement is going on under all suns and in all climes. It is now the yeast, and it will leaven the loaf. Its instruments are various, yet no less powerful. The statesmen moving policies as pawns, the jurist wise in law, the preacher strong in eloquence, the scientist great in discovery, the journalist virile in expression, the teacher great in thought, all working to the common end that in this age of the world man is indeed his brother's keeper.

The proposition presents different aspects in different countries. In our own great land we have many problems yet to solve. Here our dogma is the doctrine of progress and good will, and we believe that only in adhering to it we will at least be able to make the law of the land more responsive to the will of the people.

John Adams said, "The happiness of society is the end of government." Have we not reached the point in intelligence when we can say that our public servants are our representatives only so far as they are our commissioners? In this connection we hold with Macaulay, "That the cause of all revolutions is that while nations move forward constitutions stand still."

For these evils in our system there must come a remedy if our institutions are to exist in perpetuity. The answer lies with the people.

The line of cleavage is well marked between the reactionaries and the Progressives. I care not to what party they belong, whether they follow the leadership of a Roosevelt, a Beveridge, a Murdock, or under the banner of a Wilson, a Bryan, or a Palmer, they are a different type of men than the servile servant subject to the dictates of the Penroses, the Ryans, the Rootes. These two elements can not fuse. They have nothing in common. Their ideas are widely divergent as to the ends of government. The principles for which Progressives stand are too important and far-reaching to neutralize. There is no middle ground to take; no twilight zone between the rights and privileges of men and the power and injustice of organized wealth; no happy medium between life and property when posterity is paid the debt in shekels of human misery.

What has been the result in both the old parties? What has been the product of the system? A condition of one-man power, boss rule, machine politics, corruption funds, high salaries with little work, indifferent citizenship, and the failure of the people to secure representation, and the attendant evils. The times demand a new party of action and of honor. You can not graft progressive policies on the old trunk of reaction. They belong to different families. They may grow for a little while, but their time will be short. A new tree having roots and tendrils planted in every inch of our glorious country has started to grow, and it will take under its protecting shade the memories of the Southland and the hopes of our western prairies and the wealth and promise of our East and North.

Years of apparent prosperity had seemingly lulled our people into sleep, and listening to the siren song they were dashing toward the rocks.

On the scroll of the Pantheon of the future will be written in letters enduring and imperishable the words of the redoubtable Jackson, "Justice for all, privilege for none." Indeed this might fittingly be the creed of each Progressive, for in this life we are of little worth save the service we render our time and posterity. This is not a party of expediency; it is a party of principle.

New times demand new measures and new men.
The world advances and in time outgrows
The laws that in our father's day were best;
And doubtless after us some purer scheme
Will be shaped out by wiser men than we,
Made wiser by the steady growth of truth.
The time is ripe and rotten, ripe for change;
Then let it come; I have no dread of what
Is called for by the instinct of mankind.
Nor think I that God's world would fall apart,
Because we tear a parchment more or less.
Truth is eternal, but her effluence
With endless change is fitted to the hour
Her mirror is turned forward to reflect
The promise of the future, not the past.

[Applause.]

Mr. MURDOCK. Mr. Chairman, I yield to the gentleman from California [Mr. STEPHENS].

Mr. STEPHENS of California. Mr. Chairman, I believe in a protective tariff, sufficient but not excessive, and it is with regret that I address this body to-day in opposition to a bill reducing the tariff. I believe that many schedules should be lowered. I came to this House of Representatives determined to assist in a proper reduction of excessive tariff rates. Time and again my vote has been cast with the majority side and contrary to the view of many of my colleagues on this side. I voted as I believed I should, voted as I promised, voted as I always will vote for any and every measure I believe right, no matter from what part of the House it comes.

If the reductions in this new tariff bill had been based upon information obtained by an expert tariff commission, or, if in answer to a general demand, moderate and justifiable reductions had been made, I would be favoring it.

But this bill calls for a radical change in our economic policy. It carries tremendous reductions that I feel sure will work out injuriously to the American laborer, the American producer, and the American employer.

This Democratic bill goes so far in its reductions as to change our tariff policy from one protecting the American laborer and producer to a policy near free trade—a tariff for revenue only. I am obliged by my conscience and by consideration for the welfare of the people of the great State of California to protest against enacting any such radical legislation.

I do not ask more consideration for industries in my own State than I am willing should be granted the industries of other States. I have been willing, and I am willing, to take reasonable reductions in schedules affecting California provided a proper reduction can be had in other schedules. I voted for a reduction in Schedule K, notwithstanding California is a great woolgrowing State, but I can not believe that justice is done that industry by placing it on the free list in this bill. [Applause.]

I know how seriously the life of the citrus and sugar industries in California is jeopardized by this bill. I know how much the prosperity and happiness of all who labor in those industries are affected by the unwarranted extent of the reduction in the lemon schedule and by the free list ahead for sugar. If this bill is unjust and unfair to industries of my State, is it not reasonable to suppose that it is also unjust and unfair to other industries in other States?

I would like to vote for an income tax and I would like to vote again for substantial reductions in most tariff schedules, even for reductions on items in which California is greatly interested, but I can not vote for reductions that seem to me to be decidedly unreasonable. I believe the American people are

demanding the regulation and improvement of industrial and business conditions, but I do not for one moment believe there is any widespread demand for the destruction of any legitimate American industry.

I am by no means a tariff expert. I know but little compared with what there is to be known. However, I have the knowledge on tariff subjects of the average citizen—perhaps of the average Congressman. I find that to be sufficient to make me sure that genuine experts are needed by Congress when building a tariff structure to serve all interests adequately and deservedly.

I feel sure now, as I did when I first came to Congress two years ago, that a proper downward revision of the tariff will benefit our whole people. I am ready now to vote for any reduction founded on information and warranted by a due consideration of producer and consumer, but I can not vote for this bill, which I believe to have been made without sufficient information and without giving due consideration to the interests of the laborer and grower, the manufacturer and consumer.

Our tariff policy and tariff schedules should be determined by Congress after a careful, adequate, and world-wide study of tariff rates and tariff effects. Beginning at once, each rate should be singly determined and established. Then every separate avenue of labor and industry would not be disturbed, as now, in a general revision. A nonpartisan expert tariff commission should investigate and report to Congress full data on every item of every schedule. It should report the cost of production at home and abroad; the prices received by the grower and manufacturer; the prices paid by the consumer, and the wages and conditions of labor. It should make recommendations. Congress could then work systematically and intelligently on expert, scientific plans, which could be adopted, rejected, amplified, lessened, or otherwise changed.

Congress has passed nearly one-third of its time in the last four years in tinkering with the tariff. Now, we are to be given three or four months of extreme suspense while our tariff boat is turned bottom side up and our respective industries permitted to sink or swim without any regard to those entirely dependent upon them.

It may be that most of our industries will survive four years of Democratic tariff upsetting; but why try such a doubtful experiment? Why not proceed along safe and sane lines to a tariff readjustment through the aid of a nonpartisan expert tariff commission, as proposed and advocated by Progressives from the first. It is through such means that our tariff troubles will be solved aright.

California is hard hit by this Democratic tariff bill. The citrus and sugar industries are perhaps most vitally affected. Two hundred millions of dollars is California's investment in oranges and lemons. Her people have twenty millions in sugar.

There have been fat years in the citrus industry, and there have been many lean ones, but an average for the past 20 years will not show more than a moderate profit. California believes she can supply the whole United States with lemons at prices fair to consumer and grower, if given reasonable time and protection. Only one-fifth of available acreage adapted to lemon-growing is planted in lemons. With protection the acreage in lemons will rapidly increase and every part of our country can be supplied.

The present rate of duty possibly may be too high; the proposed rate is much too low. Who can honestly determine until after full and complete investigation by an expert tariff commission?

The growing of lemons in California is an American industry, owned by Americans, managed by Americans, and furnishing a livelihood to 40,000 families, practically every one of which is genuinely American. Way down deep, my friends, the Democratic Party seems to care more for the mysterious influence of a handful of foreign importers in New York than it does for a home industry in California, owned and cared for by our own countrymen.

Lemons will not average less in price for the next four years because of the removal of two-thirds of the duty. When Sicily has a monopoly, America will pay whatever Sicily chooses to ask for lemons.

To-day I received a wire from California which I wish to read:

HON. WILLIAM D. STEPHENS,
United States Congress, Washington, D. C.

DEAR SIR: Pursuant to the provisions of a Senate joint resolution adopted by both Houses of the Legislature of the State of California, I herewith transmit to you a copy of

Senate joint resolution 25, relative to memorializing Congress regarding the citrus-fruit industry of the State of California, and requesting our Senators and Representatives in Congress to use all honorable means to prevent a reduction in duties on citrus fruits below the point where the difference in the cost of production of the same would be equalized.

Whereas the citrus-fruit industry is one of the great and important enterprises of this State, representing an investment of \$200,000,000, and materially contributes to the upbuilding thereof; and Whereas the rates of duty on citrus fruits should equalize the difference in cost of production between the United States and foreign countries; and

Whereas the present rates of duty bring to the Government a substantial revenue that has increased in recent years; and Whereas a material reduction of the duties on citrus fruits would hamper and retard the growth and development of the State of California: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California, jointly, That we respectfully memorialize the Congress of the United States not to reduce the duties on citrus fruits below a point equalizing the difference in the cost of production of the same in the United States and foreign countries, and we earnestly request our Senators and Representatives in Congress to use every honorable means to prevent such reduction; be it further

Resolved, That the governor of the State of California be requested to appoint five citizens of California to present this memorial to Congress in behalf of this State; and be it further

Resolved, That a copy of this resolution be telegraphed to the President and to each of our Senators and Representatives in the Congress of the United States.

W. N. PARRISH,
Secretary of Senate.

I can best tell you what our people think of the Democratic sugar proposals by quoting the following telegrams:

SACRAMENTO, CAL., April 22, 1913.

HON. WM. D. STEPHENS,
House of Representatives, Washington, D. C.:

I have the honor to hand you herewith copy of joint resolution No. 18, adopted by senate and assembly and approved by the governor April 18, 1913. Assembly joint resolution No. 18, relative to the protection of the California beet-sugar industry in the enactment by Congress of laws affecting tariffs on imports into the United States.

Whereas in the process of tariff revision by Congress the indicated tendency is toward an abolition of the duties on imported sugar; and Whereas such a policy would be calamitous to the cane and beet sugar industry of the Nation at large, and especially to the beet-sugar business of the State of California, which produces 165,000 tons per annum, or one-quarter of the beet-sugar output of the United States; and

Whereas the annual consumption of sugar in our country is now 3,500,000 tons per annum, supplied, viz, from domestic cane grown in Porto Rico, Louisiana, and Hawaiian Islands, 1,100,000 tons; from beet sugar manufactured in 16 States, 650,000 tons; the balance, 1,750,000 tons, being purchased from foreign countries and refined by a few corporations on the Atlantic seaboard, who are clamoring for "free sugar," in order that they may check the further invasion of their markets by the constantly growing beet-sugar industry; and

Whereas our Nation's beet-sugar output has increased from 40,000 tons in 1897 to 650,000 tons in 1912, a rate of increase greater than can be shown in any country in Europe during an equal period of time, while our cane-producing districts have apparently reached the limit of their prosperity; and

Whereas this country should, and can, become self-sustaining in the matter of sugar through the development of the beet-sugar industry, now involving the use of only 450,000 acres of land against 274,000,000 acres adapted to the cultivation of the sugar beet; and

Whereas the development of the industry is checked by the menace of a free sugar bill, which will subject this product to competition with cane and beet sugar produced under the low-wage conditions in the Tropics and Europe, and at prices delivered at our seaboard lower than, under the conditions, is paid to the farmers of our State for the sugar in the beet before it is manufactured: Now, therefore,

Resolved, That the Legislature of the State of California (a majority of all members elected to senate and assembly voting for the adoption of this resolution and concurring therein) request the Senate and House of Representatives at Washington and the President of the United States that due regard be had in the consideration of tariff revision for the claims of the beet-sugar industry, which is so full of promise to our Nation, and that the principle governing the revision of the tariff in this regard be that the tariff should equalize the difference between the cost of production of sugar at home and abroad.

Resolved, That a copy of these resolutions be forwarded to each of the Members of Congress from the State of California to be presented to the President and Congress.

L. B. MALLORY,
Chief Clerk of Assembly.

LOS ANGELES, CAL., April 9, 1913.

HON. WM. D. STEPHENS,
House of Representatives, Washington, D. C.:

Whereas proposed new tariff bill which was introduced into the House of Representatives April 7 by Hon. OSCAR UNDERWOOD, of Alabama, and which is now before Committee on Ways and Means of the House for consideration, reduces customs rates on great number California products to such degree that in several instances it will have inevitable result of seriously crippling, if it does not absolutely destroy, great interests upon which depend large numbers of people and the public welfare of the State; and

Whereas present reading of proposed tariff bill indicates that California has been more severely dealt with than other States of the Union, and its products more severely and unnecessarily exposed to foreign competition: Now, therefore, be it

Resolved by the Los Angeles Chamber of Commerce, That an earnest protest is hereby made against adoption of the tariff bill in its present form with its severe discrimination against products of the State of California.

The above resolutions were adopted by board of directors at meeting held to-day.

ARTHUR W. KINNEY,
President Los Angeles Chamber of Commerce.

In addition to the above, I have received more than 2,000 individual letters of protest, appealing to Congress not to make the changes in the sugar duties in the way proposed.

I shall not go further into details of the citrus and sugar industries, for my colleagues, who more intimately represent the citrus and sugar sections, are better able to do so.

Gentlemen, I do not ask for more than is justly ours. I want nothing to which we are not entitled. But I do ask, and I do insist that the growing industries of the United States should be protected to a degree determined by Congress after consideration of reports and recommendations of an expert commission. [Loud applause.]

Mr. MURDOCK. Mr. Chairman, I yield to the gentleman from Illinois [Mr. THOMSON].

Mr. THOMSON of Illinois. Mr. Chairman, as a new Member, I shall make my remarks very brief.

I presume it may truthfully be said that there is no Federal legislation which more generally, directly, and vitally affects the people of the country than tariff legislation. It reaches down to the very poorest of our people and up to the richest of them. It not only has its effect on the income of the average citizen, but it determines in large measure the purchasing power of that income. It not only affects the people as individuals, but as groups, families, communities, and the Nation as a whole. There can therefore be no legislation more important than that which is now before us.

The tariff is a legitimate means of raising revenue for the maintenance of the Government, but it should be much more than that. American labor properly looks to the tariff for protection from those conditions which are such a burden to foreign labor. Any tariff which does not primarily disclose its benefits in the pay envelope of the laborer is not an equitable tariff.

I believe that a tariff should extend to the point of protection—such protection as will equalize conditions of competition between the United States and foreign countries, both for the farmer and the manufacturer, and which shall maintain for labor an adequate standard of living.

Believing that there are certain schedules in the existing tariff which are unjust and excessive, I strongly favor tariff revision, and it should not be necessary to add that the revision should be downward.

I have spent much time in studying the pending bill, and have tried to determine whether it bids fair to accomplish the things which I think a tariff bill ought to accomplish. There are over 4,000 items in this bill. Is the tariff which is provided for each of these items the kind of a tariff I have said I believe in and would like to vote for? I presume some of them are, but I feel sure that some of them are not, and I am very much more certain of the fact that, with reference to most of the schedules provided for in this bill, I do not know whether they are right or not, and neither does anybody else [applause], unless he has given the question such study as qualifies him as an expert upon it. The one big fact about the tariff that has been borne home to me as I have studied this bill is the fact that it is absolutely impossible to frame a just and equitable tariff by the log-rolling, I-tickle-you-and-you-tickle-me methods that have characterized tariff making thus far in our history.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. THOMSON of Illinois. I can not yield; I have only a few moments.

Ours is the only Nation in the world to use such methods in framing a tariff. It would have brought certain ruin to any other nation foolhardy enough to try it, and the only reason it has not brought ruin to us is to be found in the fact that because of the great extent of our territory our population is not dense as compared with other nations, and also because our resources have been and still are so vast.

It is high time we changed our methods. It takes long investigation and study—painstaking, thorough, and trained examination of exhaustive data, followed by the careful consideration of a trained, unbiased expert, to get at the real facts connected with any given business or industry, from which we may proceed to reach a correct conclusion on the question of whether or not we shall have any tariff at all on a given article, and if it is concluded we shall have, then what that tariff shall be, in order that it shall accomplish the ends which we believe a tariff should accomplish.

The present bill is not the result of such work, and it is bound, therefore, to be inaccurate, unscientific, and inequitable in many respects. It can not be otherwise unless it is a miracle, and even its own best friends do not expect that of it.

I believe the basis for tariffs and changes in tariffs should be found in the reports of a commission, a nonpartisan, scientific tariff commission, reporting both to the President and to either branch of Congress, such reports covering the costs of production, efficiency of labor, capitalization, industrial organiza-

tion and efficiency, and the general competitive position in this country and abroad of industries seeking protection from Congress; as to the revenue-producing power of the tariff and its relation to the resources of government; and also as to the effect of the tariff on prices, operations of middlemen, and the purchasing power of the consumer.

I wish to say to the gentleman from Kentucky [Mr. BARKLEY] who addressed himself to this subject yesterday, that he has missed entirely the idea of the tariff commission as proposed by the Progressive Party. We do believe that the Republican Party of itself can not revise the tariff accurately and scientifically. We do believe that the Democratic Party of itself can not revise the tariff accurately and scientifically. We believe, further, that the Progressive Party of itself can not revise the tariff accurately and scientifically. In advocating an expert nonpartisan tariff commission, however, we of course do not propose to delegate any legislative power to it. The commission is not to formulate or pass laws. That power must constitutionally and properly remain with the Congress. What we do propose is that the commission shall scientifically and accurately ascertain the true and unbiased facts upon which we may base our tariff legislation.

I do not feel, however, that the people of this country should be compelled to await the reports of such a commission before obtaining relief from those of the present schedules generally recognized as excessive. I had hoped that we would have an opportunity to act on such schedules singly and immediately. While the recent Tariff Board may not have proven commensurate with our ideals for such bodies, it did make more or less exhaustive investigations with reference to Schedules I and K, affecting cotton and wool, and submit reports on them, and it seems to me that those reports, such as they are and irrespective of our views with reference to the board itself, give us at least such information and light on those two schedules as, coupled with the burdens to the consumer caused by the existing cotton and woolen duties, requires us to modify those existing duties and specify new tariffs in those schedules which will be justified by the information submitted in those reports. I trust that later on in the consideration of this bill substitutes will be offered for Schedules I and K—substitutes based on the reports of the Tariff Board to which I have referred—and in that case I shall be glad to support them, irrespective of their source. [Applause.]

Of course, the pending tariff bill contains its jokers. Any tariff act framed as this one has been is bound in the very nature of things to be filled with them. Some of those that are in this bill are plain and easily discerned and others are not. One of the most patent is contained in Schedule K. It was eloquently referred to this afternoon by the gentleman from Ohio [Mr. WILLIS]. In the bill to revise this schedule, submitted by the Democrats in the last Congress when they knew it would be vetoed if passed, Angora wool was given an ad valorem duty of 10 per cent. In the pending bill much ado is made of the fact that wool is placed on the free list. Put tucked carefully away in Schedule K is a clause, 314, in which our friends the Democrats have provided—and they know now that the bill will be signed when passed—that "hair of the Angora goat, alpaca, and other like animals, and all hair on the skins of such animals" shall have a duty of 20 per cent ad valorem. It should be added here that the center of the Angora goat industry is in the district of one of our friends on the Democratic side of this House who comes from Texas—one of the members of the Ways and Means Committee who participated in the preparation of this schedule. He apparently saw to it that the tariff bill offered by his party did not get his goat.

I favor an income-tax law, and I regret exceedingly that I am not at this time to have the opportunity of casting a vote on such a law unencumbered with this pending omnibus tariff bill. Our friends the Democrats have very adroitly coupled the two together.

Both because of and in spite of these views I hold on these questions, as a Progressive and as one who believes with whole heart in the principles laid down in the platform of that party and who means earnestly to endeavor to live up to those principles here and do whatever possible to carry them out, I must oppose this omnibus bill, for whatever of good there may be in it is completely outdone by the bad, as I am able to see and understand it. [Loud applause.]

Mr. UNDERWOOD. Mr. Chairman, I yield to the gentleman from Kansas [Mr. NEELEY].

Mr. NEELEY. Mr. Chairman, when I became a candidate for Congress at the special election held in my district in January, 1912, my platform contained 12 specific promises. Two of these promises—the amendment to the Constitution

of the United States providing for the election of United States Senators by the direct vote of the people, and providing for the adoption of a decent pension law—were enacted into law during the last session of Congress, and I expect to have the pleasure of seeing two more promises—one providing immediate reduction of the tariff downward and the placing of trust-made goods on the free list, and the other providing for an equitable income tax, to equalize the burdens of government with those who are best able to bear it—enacted into law during the present session.

Mr. Chairman, I have never been a free trader. I am not a free trader now and, as long as the present condition of affairs continues, have no intention of becoming a free trader. I fully recognize that the tariff is a local issue; that the preparation of a tariff bill represents not the individual wishes or desires of any Member of this House, but is a series of compromises made between the different sections of the country and intending to strike a happy medium according to the ideas of the political party in power. Since the making of a tariff bill thus involves a series of compromises, it is impossible to completely satisfy each Member of the House, but there is so much of good in this bill and so little that is bad that it is entitled to the hearty indorsement of every Member of this body. I am exceedingly glad to know that the Democratic Party, in the preparation of this bill, has adopted its old position of a tariff for revenue tempered with such protection as is made necessary by a changed competitive condition, and that instead of an average tax of 90 per cent, as provided in the Payne law, the burden on the consumers of this country will be lowered to an average of a little less than 25 per cent.

Some of our friends, both Republican and Progressive, are prone to indulge their agricultural and laboring constituencies with fulsome cant relative to the Payne-Aldrich Act, and, lest they forget, I desire to go back and call their attention to the items contained in the free list of this act and make a brief comparison with the items contained in the free list of the pending measure.

We begin at the head of the list with aconite; acorns, raw, dried, or undried but unground; agate; albumen; amber; ambergris; ammonia; analine salts; apatite; arsenic; asbestos—and for the life of me I can not understand why a Republican should desire to place asbestos on the free list unless it was that he permitted his gaze to wander into the political future when he would have need for that particular article, and why our Progressive friends now defend that particular item and insist that it shall be retained, unless they, too, expect to have use for the self-same thing. Asafetida; balm of Gilead; beeswax; bismuth; bladders; and dried blood; Brazilian pebbles; camphor; catgut; whipgut or wormgut, and so forth, ad infinitum; chalk; civet; clay; cochineal; coffee; coir; cotton; cuttlefish bone; dandelion root; divi divi; and dragon's blood. And on down through the list there is ergot; palmleaf fans, to go with the asbestos; felt; fibrin; fishskins; and fossils—and why on earth should the Republican Party insist that fossils come in free when they have the splendid example of fossilized ideas in the preparation of this bill? Gambier; glass enamel; glass plates; grease; fat; guano; gutta-percha; hide rope; hones and whetstones; ice; india rubber; iodine; ipecac; jalap; jet; joss sticks; old junk; kindling wood; lac; lava; leeches—plenty of them after this bill was in operation; lime; litmus; loadstones; manuscripts; meerscham; oakum; oil cakes; oleo stearin; paper stock; phosphates; plumbago; potash; pulu; quinia; radium; and old rags—not new rags, my friends; not the things that go to make clothing that living men, women, and children wear to protect them from the elements, but old rags, discarded and useless, come in under the beneficent provisions of that bill absolutely free of duty. Rennets, raw or prepared; salicin; saleg; sausages; sheep dip; silkworm eggs; skeletons; soda; spunk; storax; tamarinds; tapioca; teeth; terra alba; tobacco stems—not the tobacco; they made the tariff on that from 35 cents to \$2.50 per pound; but you were looking out for the best interests of the poor man whom you gentlemen talk about so touchingly, and so you made it possible for him to take his dear Jimmy pipe, go back into a corner of his home, fill it with tobacco stems, and enjoy himself to his heart's content. Turpentine; turtles; vaccine virus; wax; whalebone; wafers; and that closes the list. Made up almost entirely of druggists' sundries, there is only one item in general use that comes in free under the terms of your bill. What a confession for the man who defends it. No wonder tears come to the eyes of gentlemen who support that bill, gentlemen who have talked so eloquently and plead so earnestly for the farmer, for the laboring man, for the man who toils, and give as their sole reason for vot-

ing against this measure that it does not protect his interest; that it fails to bring to him that measure of benefit that is his by virtue of his being a citizen of this country. Not only do you tearfully plead now for your fattened industries, but "having ears you have heard not." And your next plea must be to your constituencies whom you have thus betrayed. My prediction is that your next lachrymal demonstration will compare with this, as does a thunderstorm to an October mist.

This bill places agricultural implements, including plows, harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horserakes, cultivators, thrashing machines, cotton gins, wagons, carts, and all other agricultural implements of every kind and description, including their repair parts, now taxed 15 per cent ad valorem, to go on the free list; cash registers, linotype and typesetting machines, sewing machines, typewriters, shoe machinery, cream separators, tar and oil spreading machines, used in the construction and maintenance of roads, including their repair parts, all of which are now taxed at 30 per cent ad valorem, go on the free list; gloves, made wholly or in chief value of leather, from horsehides, pigskins, and cattle hides, now taxed at from 75 cents per dozen to \$4.75 per dozen, go on the free list; leatherboard or compressed leather, leather cut into shoe uppers or vamps, or other forms suitable for conversion into boots and shoes, boots and shoes made wholly or in chief value of leather, leather shoelaces, finished or unfinished, harness, saddles, and saddlery, in sets or parts, now taxed from 5 to 20 per cent ad valorem, go on the free list; cut nails, cut spikes of iron or steel, horseshoe nails, hobnails, and all other wrought-iron or steel nails, not specially provided for, wire staples, wire nails made of wrought iron or steel, spikes, horse, mule, or ox shoes, and tacks, brads, or sprigs, all now taxed at four-tenths of 1 cent per pound, go on the free list; barbed wire, galvanized wire not larger than No. 6 or not smaller than No. 14, commonly used for fencing purposes, galvanized wire fencing of the same size, together with baling wire, all now taxed at from three-fourths of a cent per pound to 1½ cents per pound, together with an additional tax of 35 per cent ad valorem, go on the free list; hubs for wheels, posts, head bolts, stave bolts, last blocks, wagon blocks, and so forth, sawed boards, planks, deals, and other lumber not further manufactured than sawed, planed, and tongued and grooved, and now taxed at from 50 cents per thousand feet for rough lumber to \$2 per thousand for dressed lumber, go on the free list; clapboards, now taxed at \$1.25 per thousand, go on the free list; laths, now taxed at 20 cents per thousand, go on the free list; pickets, palings, staves, and so forth, now taxed at 10 per cent ad valorem, go on the free list; and shingles, now taxed at 50 cents a thousand, to come in free of duty.

I can understand why gentlemen now representing manufacturing interests that have fattened for years at the consumers' expense would oppose this free list containing these items, but I confess I am wholly unable to see how the man who represents a farming or a laboring constituency, or a constituency that is progressive and believes in honest and fair competition, can vote against this reduction that places the trusts manufacturing these articles of daily necessity on the free list and make his peace with his people by handing them the time-honored buncombe of protecting home industries—industries that have long since grown rich and powerful through their privileges at the people's expense.

In 1902 the International Harvester Co. was organized under the laws of New Jersey by the consolidation of the following concerns: The McCormick Harvesting Machine Co., the largest of these concerns with respect to assets and volume of business, organized September 11, 1879, and having a factory at Chicago; the Deering Harvester Co., second in importance, organized in 1899, with its factory at Chicago; the Warder, Bushnell & Glessner Co., manufacturer of the "Champion" line of harvesting machinery, organized October 18, 1886, with its factory at Springfield; the Plano Manufacturing Co., organized March 3, 1881, with its factory at Plano, near Chicago, but later moved to West Pullman, Ill.; the Milwaukee Harvester Co., organized December 15, 1881, with its factory at Milwaukee.

This combination was brought into existence by J. P. Morgan & Co., and its appraised assets, amounting to \$67,076,220, was immediately inflated by its incorporators until its capital stock amounted to \$192,000,000, and upon this sum the combination thus formed began to base its profits, its prices, and to frame its competition. It has gradually extended its operations until at this time it controls some twenty-odd subsidiary companies, and is complete master of the American market. The net earnings, dividends, additions to surplus, capital stock, together with rate of net earnings on capital stock and surplus, and rate of

dividends on capital stock from the years 1903 to 1911, inclusive, is shown by the following table:

Year.	Net earnings.	Dividends.	Additions to surplus.
1903.....	\$5,641,180.61	\$3,600,000.00	\$2,041,180.61
1904.....	5,658,534.68	4,800,000.00	858,534.68
1905.....	7,479,187.36	4,800,000.00	2,679,187.36
1906.....	7,346,947.32	4,800,000.00	2,546,947.32
1907.....	8,080,457.51	4,200,000.00	3,880,457.51
1908.....	8,885,682.13	4,200,000.00	4,685,682.13
1909.....	14,892,740.21	4,200,000.00	10,692,740.21
1910.....	16,084,819.19	127,400,000.00	11,315,180.81
1911.....	15,521,397.89	8,200,000.00	7,321,397.89
Total.....	89,590,946.90	66,200,000.00	23,390,946.90
Average.....	9,054,549.66	7,355,555.56

Year.	Capital stock and surplus.	Rate of net earnings on capital stock and surplus at beginning of year.	Rate of dividend on capital stock.
1902.....	\$120,000,000.00
1903.....	122,041,180.61	4.70	3.00
1904.....	122,890,715.29	4.64	4.00
1905.....	125,578,902.65	6.08	4.00
1906.....	128,125,840.97	5.85	4.00
1907.....	132,066,307.48	6.31	3.50
1908.....	136,691,989.61	6.73	3.50
1909.....	147,384,729.82	10.89	3.50
1910.....	156,069,540.01	10.91	21.95
1911.....	9.95	5.86
Average.....	132,310,913.83	7.52	5.91

¹ Includes stock dividend of \$20,000,000 from surplus.

² Decrease due to stock dividend from surplus.

³ Computed on capital stock, \$120,000,000, Oct. 1, 1902.

⁴ Includes \$20,000,000 capital stock dividend from surplus.

⁵ Rate based on cash dividend and also stock dividend of \$20,000,000.

We people in the State of Kansas have had some experience with this same concern. Our attorney general brought a suit to oust them from the State because they were engaged in a conspiracy in restraint of trade, constituted a combination in violation of the Kansas law, and in the Eighty-first Kansas State Report, on page 612, the court in considering that matter found that the practical effect of the merger of these concerns that I have named into the name of the International Harvester Co., of New Jersey, had been to regulate and control the retail and wholesale prices of harvesting machines in the State of Kansas and to secure to the defendant, the International Harvester Co., approximately 85 per cent of the total business within the State. The court further found:

So strong is this monopoly that the testimony in this case discloses that its power to regulate and control the price of machinery throughout the civilized world where such machinery is used has a strong, if not controlling, force in the fixing of prices and the regulation of trade in such commodities, and that under the evidence a complete forfeiture of the defendant's charter and right to transact business within the State of Kansas would be justified.

Proceeding further, the court says:

It is prohibited from using exclusive contracts with its agents and dealers in this State, restraining or restricting them from handling or selling goods or implements of the nature sold by the defendant in this State other than those obtained from the defendant. And it is restrained and prohibited from making any unfair discrimination in the sale of its goods in this State against any section, community, or city, or between persons, for the purpose of destroying competition.

I am amazed that Members of this House, despite this report made by the Department of Commerce and Labor which I have quoted, and despite the finding of our court that this organization constitutes a trust and monopoly in restraint of trade, restraining trade throughout every section of the United States, should still insist upon gentlemen representing the State casting their votes against the users of agricultural machinery and in favor of this concern. I hope no Kansas Representative will dare vote against the bill that tends to free his constituents from the control of this merciless combine, and I am sure his constituents will rebuke him should he do so.

Mr. PLATT. Mr. Chairman, will the gentleman yield for a question?

Mr. NEELEY. I will.

Mr. PLATT. Do I understand the gentleman to imply that the International Harvester Co. or other manufacturers of agricultural implements of that kind are objecting to having their products on the free list? I have in my district two large manufacturers of agricultural machinery in competition with the International Harvester Co. I have not heard a word from them, but one of them told me a while ago that they did not care.

Mr. NEELEY. I have heard their sponsors on this floor protest in this House time and again and ask that these rates be maintained, and that this tariff be maintained, in behalf of the American manufacturer.

Mr. PLATT. Recently? Was it in these recent hearings?

Mr. NEELEY. I beg the gentleman's pardon.

Mr. PLATT. Has the gentleman heard that statement made recently by those manufacturers?

Mr. NEELEY. I heard the gentleman from West Virginia [Mr. Moss] make an appeal of that kind. It has not been over 15 or 20 minutes ago. It is the same appeal that every special interest makes, to stand by the home industry.

Mr. PLATT. The manufacturers of agricultural machinery that I know do not care. They would just as soon have their products placed on the free list as not. They ship a large part of their products abroad, anyway.

Mr. NEELEY. I hope, then, that the gentleman will not vote against this bill.

Mr. LOBECK. Mr. Chairman, will the gentleman yield?

Mr. NEELEY. Certainly.

Mr. LOBECK. And when they ship harvesters abroad they sell to the Australian and Argentinian farmer for \$80 what they charge the Kansas or Nebraska farmer \$135 for, and thus put those wheat raisers abroad on a better basis and in a position of greater advantage to meet the cost of production.

Mr. MANN. The gentleman should be fair, because he is mistaken about that.

Mr. LOBECK. Well, I am not mistaken, because I have seen it from letters, and have had some statements in which the claim is made that that is true.

Mr. NEELEY. I think that is correct, and I think that is not all of it.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman permit an interruption right there?

Mr. NEELEY. I can not yield now. I understand that a wagon that is sold in Kansas for \$75 to \$80 is shipped across the ocean and sold in Germany, France, or Russia for \$65; that a mowing machine that retails for \$45 with us is sent to Europe, Asia, or Africa and sold for \$35; and that other things are exported and sold in proportion.

Mr. LOBECK. F. o. b.?

Mr. NEELEY. Yes. I am sure my farmer friends will not object to the placing on the free list of cut nails and cut spikes of iron or steel, horseshoe nails, hobnails, and all other wrought-iron or steel nails, wire staples, wire nails made of wrought iron or steel, spikes, and horse, mule, or ox shoes, and so forth. I hope my friend who attempts to justify a vote against this bill will remember, too, that these items are controlled by a trust almost as powerful as the Harvester Trust, and that they will doubtless give this bill the same support the Harvester Trust gives the plan to reduce the tariff on agricultural implements.

And in that connection it might be proper to suggest that, notwithstanding the cry to protect the Nail Trust, in 1910 the total importation of cut nails and cut spikes into the United States amounted to 37,196 pounds, of the total value of \$877, while the exports amounted to \$407,904, and the amount consumed in the United States amounted to \$1,811,000.

Horseshoes and hobnails imported in the same year amounted to 14,829 pounds, of the value of \$2,162; the total consumption being of the value of \$2,209,162.

Of wire nails the import was 8,648 pounds, of the value of \$209, while the export was \$1,705,026.

In 1910 we imported 642 pounds of horse and mule shoes of the total value of \$105. We consumed that year \$3,219,000 worth of these articles. We also imported 517 pounds of tacks, brads, and sprigs of the value of \$22, while the exports were \$613,004, and yet our Republican friends representing consumers of agricultural implements, barbed and fencing wire, lumber, laths, shingles, nails, and the other articles placed in this free list have the temerity to flaunt in the face of their constituents in this progressive year of 1913 an argument that means a vote to maintain these monopolies. Each of these industries has not only become great and powerful as monopolies at home, but they have so extended themselves that they can go into the home of the foreigner, compete with him on his own soil and against his own labor and machinery. None of these countries into which these trusts have gone and built up their splendid trade have subsidized them by paying them any duty on their imports, thus proving that during every minute of time they have been competing with the foreigner on his own soil they have been filching and robbing the consumer at home, and when you gentlemen on that side return to your farmer constituents to tell them the story of your vote against this bill I trust that you

will then explain to them why it was you helped Andrew Carnegie and his associates in the construction of libraries and other philanthropic institutions in your districts. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Mr. Chairman, I yield to the gentleman from Ohio [Mr. FESS].

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. FESS. Mr. Chairman, it is too late for us to discuss the issue of changing from the protective system to a revenue system in this House. Our Democratic majority in control of the House have assumed that they have that commission and that we have no authority to combat it; that the commission came from the people, and that we must obey what the people have said.

I take issue, and I say that the people did not in the election decide against the protective system, because the majority vote of over 1,000,000 in this election was upon platforms that pronounced in favor of the protective system. And if that had been an issue where the people could vote "Yea" or "Nay," there is not any doubt in my mind as to what would have been the result of the election.

Yet I am not going to contend here that the Democratic majority should not push this issue to the last limit; but I am going to take the opportunity of saying that if this Democratic measure goes into effect there certainly must be a reversal of public opinion, and that will certainly come in a very short time—just as soon as the people can register their will. My judgment is that few things will be more sought after than a chance to vote.

We are here discussing whether this country, that has constantly profited under the protective system, shall now abandon that system and go on a revenue basis, a basis under which this Government never yet has prospered. Need I refer to national conditions preceding eras of tariff legislation in contrast with those following such legislation? No thoughtful student will deny that seasons of depression called for stimulation of business which was furnished by the system of protection, which in turn were followed by seasons of great business revival. It was true in the McKinley bill of 1890, the Dingley bill of 1897, and we are now, under the present bill, with a volume of trade unequalled in history. The opposite effects are shown in the experiment of revenue tariffs, such as the Wilson bill of 1894.

If proof for these utterances are desired, consult the volume of business transacted, ask the capitalist about the demand for his goods, ask the laborer about the certainty of his employment and the amount of his wages, ask the farmer to contrast the price of his produce sold from the farm in the periods of the protective system as compared to those of the revenue system.

When our Democratic friends were looking for an issue to go to the people in 1884 they saw a full Treasury, a surplus, under a Republican administration, which they seized upon and charged the party in power with the crime of being too prosperous. They declared that they would reduce the surplus if they but had a chance. One of these strange freaks of human conduct caused the people to reject the peerless leader of Maine to accept his opponent, Grover Cleveland. Four years of experience were sufficient, when the same people rejected the Cleveland message of 1887 and its author and commissioned the party of protection to reinstate the system under the McKinley bill. Most of us remember the challenge of that rare leader when in his place in this House he challenged the Democracy upon item after item, in which he urged that the Nation be given a chance to develop her resources on the basis of American wages, and "We will not only supply our own people but we will soon help to supply the world." I heard him declare we could produce all the tin we needed if a duty, protective in character, were allowed. He even challenged the opposition by writing into law that if within a certain time under the law we did not produce one-third of what we used the law was to be invalid. What followed? Tin mills were erected, millions of our own capital were invested, thousands of our own laborers were employed at good wages, tin was placed on the market, and in time prices went down to the consumer below what they were before the duty had been levied; and now consult the Democratic handbook accompanying this Underwood bill for the amount of tin we are exporting. And yet with the tariff on wages are still up while prices of tin are down. This is the American system.

Misrepresentation as well as willful denunciation opened the way for the application of the revenue system which bears the name of Wilson. I have heard upon this floor the declaration that that law was the best tariff law ever placed upon the statute books of any nation. Again I would recommend that men would consult the movement of business, the loss of wages,

the destruction of capital, the paralysis of general industry, and the foreclosure of farm mortgages, with no price for farm products with which to pay expenses of living. This may be the measure of good law by some men, but it is not a Republican measure.

If Republican theory of protection means anything, it means to encourage American enterprise by inviting capital to remunerative investment and the employment of labor at American wages, on the theory that home competition will ultimately reduce the price to the consumer below that which he was paying before the industry was established. After this the duties can be lowered. This theory has been pursued by the Republican Party. The Morrill tariff was revised, and we got the McKinley law. Then came the Dingley law, and later came the Payne law. In many items the latter law was not a satisfactory downward revision. At the same time, the free list was increased and duties much reduced. Under it abundant revenue is afforded for the expense of the Government, business has never been better, labor was never more steadily employed or at better wages and under better conditions, and our exports surpass anything known in the past. But the Democratic Party undertook to prove the Nation was hopeless, business was inequitable, the consumer was ground to earth, prices were out of sight, of course, due to the tariff, and the country at large was generally on the verge of ruin. Apropos to this we experienced an unfortunate division in our ranks, which split our party in twain, in which not all the fault was on one side. This permitted a party casting less by 1,300,000 votes than the protective parties to ride into power. Here they are, in control of this floor. Here is their proposed law, designed to go to a foreign country to buy with American money goods made by European labor, instead of investing that money here, employing our labor here, and thus keeping both capital and labor here.

The protective system looks to the employment of American labor and not to the employment of European labor. The protective system looks to a wage that is a living wage and not to a wage on the basis of Europe. When you produce a thing in this country you employ American capital; you invest American capital in the employment of American labor, and if you purchase the goods from our own manufacturers you keep the money here instead of sending it to Europe, and that is the whole situation.

I have heard here time and again, from men for whose judgment I have the greatest respect and for whose courtesy I have equal regard, that we ought to go to Europe for the purchase of our goods rather than stimulate their production at home. I say, gentlemen, that whenever we can make two blades of grass grow at home where one grew before, that is American; and where we refuse to grow the two blades but choose Europe for the second one, that is not American. The man who says, for example, that the sugar industry is not legitimate because it needs the protecting, fostering care of this Government is unscientific and against true Americanism. For if this country can produce the sugar we need by a little fostering in the beginning, it is not only our duty but it is patriotic Americanism to stimulate that industry in the investment of our own capital, in the cultivation of our own fields, and in the employment of our own labor. This will not only tend to do so, but will keep American labor and capital both at home and make this Nation industrious instead of looking to the industry of Europe built upon a European scale of wages. [Applause on the Republican side.] We can produce in this country every pound of sugar we need. We are informed by experts like Dr. Wiley, whose judgment my Democratic friends opposed to this principle will respect, that America has sufficient acreage of sugar-raising lands, if properly cultivated, to produce every pound of sugar we need in this country. A moderate estimate fixes this amount at 278,000,000 acres, enough to produce double our needs. I know of no better practical illustration for our purpose than that furnished by sugar.

The German chemist extended his knowledge to the German beet field and proved that the beet was not only a good sugar-producing plant, but a splendid soil fertilizer at the same time. Our own agricultural experts insisted and still maintain that what Germany is doing we can do. Farmers knew that they could raise beets, but they could not dispose of them. It was impossible to export them to the German beet-sugar plants, and there was no American plant. No sugar plant costing over \$1,000,000 would be built until there was some assurance that its product, made by American labor at American wages, would not come into open competition with cheap European labor costing one-third as much.

The Republican leaders, satisfied that we had the ability to produce our own sugar, gave capital the protection necessary to

pay American wages. When was it done? In 1904. What is the result? More than 70 great sugar mills, many superior to anything in Germany, costing nearly \$100,000,000, employing thousands of laborers on farm and in factory. What has this industry done? It produces now 600,000 tons of sugar, which sells to-day in our own markets for less price than before duty was levied. What is our contention? It is better to produce here than to go abroad. It is better to pay our producers than European producers. It is better to employ our labor than that of Europe.

Give our sugar producers assurance for a time and you will increase the acreage of beets, enrich the soil by the root plant, multiply the mills, increase the demands for labor, and you will promulgate a true Americanism. Now, my friends, I insist that it is true Americanism to stimulate the industry of sugar producing, and ultimately we will produce all we need. This is the protective policy and it is the American system.

The authors of this bill have dealt a deathblow to the sugar industry, especially that of Louisiana. When questioned "Why this course?" the reply came that sugar was not a legitimate industry. This position is based upon the theory that the same land could be employed more profitably in some other commodity.

For the same reason a similar stroke is dealt the wool-growing industry of the country. The United States does not produce all the raw wool we need for our woolen mills. However, we do produce 65 per cent, and look to other lands for the remaining 35 per cent. The contention of this bill on this matter is, since we must purchase some wool abroad, it is wrong to levy a duty to protect that produced at home. In other words, the Democrats say it is better to seek the 35 per cent produced by cheap labor in foreign wool-producing countries, such as South America, South Africa, Australia, and Russia, than to stimulate home production by home capital and home labor. So it goes on the free list. Ohio, my State, the third wool-growing State in the Union, with her 4,000,000 sheep producing the finest grade of wool in the world, must surrender this industry. This Nation, producing 328,000,000 pounds of wool, 65 per cent needed by our numerous mills, must surrender this industry. This bill justifies this vandalism on the basis that our people should cease the futile effort, as they style it, to raise wool and seek it in the markets of Australasia, South America, and South Africa. In other words, destroy one of the most important industries of the farm to justify a theory of tariff.

At a time when prices of meats are high and still increasing, because of the shortage of cattle raising, when common sense would urge the stimulation of sheep raising, not only for its wool product but its mutton value, thus reducing the price of meat by the increase of the supply, we have this freak bill to further embarrass the meat situation, and it is offered as a panacea for high cost of living. This is done in the face of facts produced by the Tariff Board that the sheep countries of the world outside of the United States will not greatly increase the world's product. If this be true, and it is not refuted, how long will it be after the destruction of the industry at home and we are dependent upon the outside world until the foreign monopoly will dictate prices to the American consumer? Why would it not be better to care for the home production, the 65 per cent of our needs, under which system each farmer could stock his farm with a growing flock which could live on forage much of the year at comparatively small expense, which will not only clean up the farm but would fertilize it to better production of other products. Why would it not be better than to look to the world for the 35 per cent by a policy that will ultimately increase this foreign need by 100 per cent and reduce this great Nation to a totally dependent one in the matter of wools, mutton, and lamb?

I hold such a raid upon such an established industry is unpatriotic and un-American. Here is an industry in which 600,000 producers and millions of consumers are directly interested, so individualized that no trust can be formed. It is particularly an industry of the farm, and since it is grown on land worth more than land is worth in South America, South Africa, and other countries, it must be abandoned. This is done in the interest of the consumer. What will be the consumer's chance when we must depend upon the foreign country for our needs? Who will control the price we shall pay? In the case of wool we shall fare as we will in the case of sugar when our prices are fixed by the importer, whose entire interest is in the amount of his imports, of his sales, and the profit. Wool can not be produced profitably with a less duty than 18 cents on scoured wool. This duty will not materially affect the price of clothing to the consumer, since 6 to 9 pounds will make the suit. A difference of \$1 or \$1.50 on a suit will be

absorbed by the middleman, and the consumer will not secure the advantage. In order to save an imaginary sum the Democratic Party proceeds to destroy one of the country's best industries. I repeat that any raid upon an important industry such as the wool or sugar that will ultimately destroy it is not patriotic in this nor in any other country, and the time will inevitably come when the man who votes thus to destroy will hear a voice that is louder and more determined than any heard in this hall; and I am sure the time will not be long delayed if this measure goes into effect.

One argument oft repeated on this floor is that the protective system depletes our resources. I take issue on this statement. We ask protection for the woolgrower. One consideration is the value of sheep raising to the soil of the country. No farm was ever depleted by a flock of sheep, but invariably benefited.

For the same reason we ask for protection for the sugar beet as a root-producing crop, which as such is a great fertilizer of the soil as scientifically demonstrated in the agricultural laboratories and experiment stations of Germany and this country. A similar argument by our opponents printed in their handbook is to the effect that our system is designed to continue old, worn-out machinery that should be discarded and which must be discarded if we were on a free-trade basis. This statement was made by the distinguished floor leader of the majority, the author of this bill.

Let us examine the facts. I take it if the machinery of production is depleted and worn-out, production must either stand still or decrease. It surely would not increase. Is this true? Take my own State as an example. The last census compares the figures of 1909 with 1904. We have 15,138 manufactories in Ohio, in which are engaged 523,000 persons, representing a capitalization of \$1,301,000,000. In 1909 this capital employed 446,934 wage earners, expending in wages \$317,597,000. The products amounted to \$1,437,936,000, to produce which materials costing \$824,212,000 were utilized. The value added by manufacture was thus \$613,734,000. When these figures are compared with the year 1904, the census reports the following increases: The increase in number of manufacturing plants was 9.8 per cent. The increase of wage earners was 22.7 per cent. The increase of products, which is the real test of the machinery, was 49.2 per cent. In the face of these figures, what becomes of the contention of the Democratic policy of depleted machinery? In this case, as in all others, facts and figures are your greatest enemies, but mere denouncement or loud declamation does not serve as a substitute for the census report. The increase in the iron and steel industry from 1899 to 1909 was in laborers 35.4 per cent and product 99.6 per cent. In the same period the meat business showed an increase of 144.6 per cent. In the five years from 1904 to 1909 the flour milling business showed an increase of 16.5 per cent. In the same period the clothing business, which represents \$45,000,000, increased 38 per cent. The State shows similar growth in printing and publishing business; in automobiles, in which Ohio stands second; in the boot and shoe business the increase reached 22.6 per cent; in the clay products, in which the State ranks first, the increase from 1899 to 1909 was 85.2 per cent, being 18.1 per cent of the total product in the United States. Ohio also stands first in the manufacture of carriages, wagons, and so forth, this industry alone representing, in 1909, \$21,949,000.

There is not a single industry of farm or factory, mine or manufactory, in my great State that is not seriously crippled by this proposed Underwood bill. What has this bill done for the farmer? In the desire to decrease the price of his produce in the belief that this price is the cause of high cost of living, his crop must be placed on the free list. In other words what he has to sell must come down in price, no matter what he must pay for what he buys. Wool, with 11 cents protection, must go on the free list—sugar receives like treatment. Corn, now protected with 15 cents per bushel, goes on the free list. Broom corn, now protected by \$3 per ton, goes on the free list. Buckwheat, with 15 cents protection, also goes on the free list. Potatoes, now protected by 25 cents per bushel, go on the free list. Swine protected at \$1.50 per head, also goes on free list. Like treatment is accorded lard, meats, milk, cream, rags, rye, seeds, and many other products.

What has not been robbed of all protection has been fatally reduced. Horses, protected at \$30 per head, are to have \$10 duty. Sheep, with a duty of \$1.50 per head protection, reduced to one-third or 10 per cent ad valorem. Oats, with 15 cents protection, is reduced to 10 cents. Wheat, with 25 cents duty, is reduced to 10 cents, while flour, the finished product of wheat, goes on the free list. Butter, with 6 cents protection, is reduced to 3 cents. Beans, with protection of 45 cents per bushel, are reduced to 25 cents. Hay, with \$4 per ton protec-

tion, reduced to \$2 per ton. This is sufficient to show the viciousness of this measure as applied to the producers of wealth of the country.

The reasons offered for such reduction as announced by the brilliant floor leader of the majority, who has won the admiration of both friend and foe by his winning personality, was that first, protection is unconstitutional; secondly, it is the chief cause of high cost of living; and thirdly, it is the mother of trusts. If the protective system is unconstitutional surely Hamilton, Madison, and Washington, all of whom were protectionists, and each of whom was a member of the convention that framed the Constitution, would have known it. I place the judgment of the framers of that instrument against the modern Democratic free trader.

If protection is the cause of high cost of living, how does it appear that high prices are on the unprotected articles as the protected, and that high prices rule in free-trade countries the same as protected countries? If protection is the mother of trusts, what explanation have we of the existence of trusts in articles not protected, such as oil, salt, etc.? Or why do trusts thrive in free-trade England? The facts are that great combinations are the result of modern business methods for the sake of saving expense of operations. Where combination is possible, competition is impossible. This is not a subject of the tariff, but a subject of regulation and control.

High prices should be interpreted the "cost of high living" rather than the "high cost of living." It is due to many causes. First, the well-to-do situation of the average man has placed him in a position to gratify increased demands. He is becoming more extravagant. He wants more and his standards of living are gradually increasing. Secondly, the drift of population from country to city disturbs the balance between production and consumption. It increases the demand for consumption more rapidly than the supply of production. This also causes prices of products to go up. Thirdly, the multiplication and improvement of facilities for communication, making the world but one neighborhood, has a like tendency upward in prices. Fourthly, the increase in number of the middle men between the original producers and the ultimate consumer compels an upward trend of price to the consumer, though it might not change it for the producer. The farmer who sells his fat cattle at a price that steak could sell at 15 cents will see the steer go through a half dozen different hands, each of which must have a margin, so that when it reaches the hotel table it will command more than three times the original price. Fifthly, another cause of high price is the great bulk of money in circulation in our country. These causes are conditions of industry and not results of tariff duties.

This legislation is a playing of the town and city against the country. It goes upon the basis that it is in the interest of the consumer at the expense of the producer. The Democratic leaders say the consumer must always be considered before the producer. This is the sheerest demagoguery. Who is the consumer, and who is the producer? How can you separate them in their interests? How can you benefit the consumer unless you also benefit the producer?

Wise legislation will look to the production in order that consumption is possible. The vast proportion of the consuming element is made up of men and women who have nothing with which to buy production except the wage they earn. Legislation that does not look to the supply of this wage is un-American. The chief thing in the mind of the consumer is not the price for which the producer sells his articles of necessity but whether he has the money with which to pay the price. The legislation that does not provide wages is bitter enmity to the consumer, no matter how loud its devotees profess that they are looking to the consumer and not to the producer.

If protection stands for anything, it is for the welfare of the consumer. It looks to building up industry here. It invests all our capital at home. It employs all our labor at home at wages on an average of double those paid in other countries.

Put this proposed tariff legislation into effect, remove the protection from the producer, seek the supply of your needs in foreign markets, then note the effect of your law upon the consumer, for whom you are now agonizing. Every dollar's worth of goods you purchase from abroad that could be produced at home you take from the labor at home and give to the labor abroad. Every dollar you send abroad for goods you could have purchased at home you reduce the business at home for the sake of the business abroad.

Put this proposed law into force by which you remove the protection of our farms, our manufactories, and industry in general, and one of two things must follow: Either the business must be seriously crippled, if not ruined, in all the various operations, or else labor here must be reduced to the basis of

the labor in the countries with which you propose to compete. In either case, what becomes of the consumer? Oh, yes; we have heard it said that wages will not be lowered, that business will not be hurt; that when we remove the tariff we will invade the markets of Europe, which will increase the demand for our goods, and thus prices of both goods and labor will increase. This is placed on the basis that prices are ruled by the principle of the law of diminishing returns. That threadbare argument used by the author of this bill sounds very sophomoric, as it has the odor of the classroom of the college professor. The price of a thing is not determined by the cost of it. The price at which a thing sells does not measure the desire for it. The price of an article is always determined by the ability of the consumer to pay for it. I make an article, it costs me so much. My friend from Kansas [Mr. MURDOCK] makes the same article. It costs him less. Both articles are sold in the market. What I get does not depend upon the cost to me. It depends entirely upon the ability of the consumer to pay. If he can not pay, I can not sell, no matter how much or how little the thing costs. And I say here and now the man who constantly talks of the consumer, losing sight of the consumer's power to buy, which is his employment, determined wholly by the ability of the producer to pay wages with which consumption is made possible, that man is wrong. One will say, oh, it is a matter of production; the other will say, no, it is a matter of consumption. I do not care about the juggling of words. If we are out in a boat and it capsizes, we will not dispute whether we went down or the water came up. The effect is just the same. The sensible thing in legislation is to see that the producer can make it possible for the existence of a consumer. That is what the protective policy is pledged to do. Oh, but, you say, we want to open the markets of the world to our goods, as if the world's markets are not open now.

Has there ever been a period in the history of any country like ours at present? Where is the capital that can not find investment? Where is the laborer who can not find employment? Where is the man whose station is not better to-day, so far as common weal is concerned, than at any period past? If you have anything to sell, you can find a market. If you wish to buy, you have the money, or if you do not have it you do have the opportunity to work for it. The volume of trade, both domestic and foreign, is stupendous, unlike any other period. Consult statistics. Our foreign commerce is four and a quarter billion of dollars and our domestic trade is the wonder of the world. Our exports for nine months ending the month of September were as follows:

1909	\$1,141,030,311
1910	1,193,333,862
1911	1,428,710,426

For the seven months ending January the exports were as follows: 1911, \$1,239,615,111—more than nine months in 1909; 1912, \$1,289,855,419—more than nine months in 1910; 1913, \$1,506,461,628—more than nine months in 1911.

This marvelous export trade is under the protective system, which our friends, the Democrats, say closes the foreign markets to our goods. I am not averse to opening up the markets to the sale of our goods. That has been done, as the figures show. But I am averse to opening up the markets for the purchase of foreign goods which we can produce at home.

The plea of the doctrinaire that we should proceed on the broad plane of cosmopolitan philanthropy which includes in our scope the whole world has no hold upon me if it means detriment at home. Free trade means equality of conditions. Europe does not give her labor the same chance we give ours. I am ready to open the gates when Europe lifts her labor to our plane, but I will not vote to lower our labor to her plane. That is the entire contention in this proposed legislation.

In conclusion, I am opposed to this proposed bill because it seriously cripples the agricultural interests. It strikes a death blow at two most valuable products—wool and sugar. It undertakes to benefit the resident of the city at the expense of the farmer. It proposes duties that will seriously cripple every woolen and cotton manufactory in the country. Its policy toward the boot and shoe trade, toward the earthenware industry as well as the glass industry is most hurtful. Not a schedule is touched that is not in danger of serious crippling. The first party to feel the hurt will be the laborer. While all will admit that duties when unnecessarily high should be reduced, which has been the history of the Republican Party, I believe the majority of the people will reject this revenue tariff measure, which is professedly an abandonment of our protective system.

If this measure becomes a law—and I am frank to say I expect the Democrats to pass it—we will see whether history will repeat itself. It is only 16 years from a former Wilson bill, which most of us still remember.

Mr. UNDERWOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. ADAMSON, having taken the chair as Speaker pro tempore, Mr. GARRETT of Tennessee, Chairman of the Committee on the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 3321—the tariff bill—and had come to no resolution thereon.

CARL L. COOPER.

Mr. MURDOCK. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution, which I send to the desk and ask to have read:

House resolution 79.

Resolved, That until otherwise ordered, Carl L. Cooper be authorized to act as special employee of the House of Representatives and receive compensation at the rate of \$1,800 per annum, to be paid out of the contingent fund of the House, until otherwise provided for.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

Mr. MANN. Mr. Speaker, I understand this is the employee that it was understood by the House should be given to the leader of the Progressive Party on the floor?

Mr. MURDOCK. Yes.

Mr. UNDERWOOD. It is the recognition of the gentleman's party in his portion of the employees of the House.

Mr. MURDOCK. Yes.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

On motion of Mr. MURDOCK, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

ENROLLED JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following joint resolution:

H. J. Res. 62. Joint resolution making an appropriation for defraying the expenses of the committees of the Senate and House of Representatives authorized to attend and represent the Senate and House at the unveiling and dedication of the memorial to Thomas Jefferson at St. Louis, Mo.

ADJOURNMENT.

Then, on motion of Mr. UNDERWOOD (at 9 o'clock and 12 minutes p. m.), the House adjourned until to-morrow, Saturday, April 26, 1913, at 11 o'clock a. m.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3466) granting a pension to Eugene H. Chamberlain; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 4024) to correct the military record of Charles J. Lanning; Committee on Invalid Pensions discharged, and referred to the Committee on Military Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CULLOP: A bill (H. R. 4289) for the erection of a public building at Linton, Ind.; to the Committee on Public Buildings and Grounds.

By Mr. BOOHER: A bill (H. R. 4290) to provide an allowance for loss of distilled spirits deposited in internal-revenue warehouses; to the Committee on Ways and Means.

By Mr. GOOD: A bill (H. R. 4291) providing for the erection of a public building at Marion, Iowa; to the Committee on Public Buildings and Grounds.

By Mr. HOUSTON: A bill (H. R. 4292) providing for the registry of officers, clerks, and employees in the Federal service, and for other purposes; to the Committee on the Census.

By Mr. ROBERTS of Nevada: A bill (H. R. 4293) to establish a botanical laboratory at Reno, Nev.; to the Committee on Agriculture.

By Mr. GARDNER: A bill (H. R. 4294) providing for the erection of memorials to Thomas Jefferson and Alexander Hamilton in the District of Columbia; to the Committee on the Library.

By Mr. JONES: A bill (H. R. 4295) to establish the Fredericksburg and Adjacent National Battle Fields Memorial Park in the State of Virginia; to the Committee on Military Affairs.

By Mr. DYER: A bill (H. R. 4296) providing for the creation of a commission to be known as the Mississippi spillway belt commission, defining its power and duties, and making an appropriation for its expenses; to the Committee on Rivers and Harbors.

By Mr. MONDELL: A bill (H. R. 4297) authorizing additional desert-land entries; to the Committee on the Public Lands.

By Mr. BLACKMON: A bill (H. R. 4298) granting an increase of pension to widows of all soldiers of the Mexican War; to the Committee on Pensions.

Also, a bill (H. R. 4299) to require all common carriers engaged in interstate and foreign commerce to collect, accept, receive, transmit, and deliver all express packages not exceeding in weight 50 pounds; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNES of South Carolina: A bill (H. R. 4300) to prohibit interference with commerce among States and Territories and with foreign nations, and to remove obstructions thereto, and to prohibit the transmission of certain messages by telegraph, telephone, cable, or other means of communication between States and Territories and foreign nations; to the Committee on Agriculture.

Also, a bill (H. R. 4301) to amend section 57, subsection n, of the act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898; to the Committee on the Judiciary.

Also, a bill (H. R. 4302) to revive the right of action under the act of March 12, 1863 (12 Stat., 820); to the Committee on War Claims.

By Mr. RAKER: A bill (H. R. 4319) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes; to the Committee on the Public Lands.

By Mr. DALE: Resolution (H. Res. 76) to appoint John O. Snyder a special messenger to serve in and about the House; to the Committee on Accounts.

By Mr. CARY: Resolution (H. Res. 77) directing the Commissioners of the District of Columbia to report on holding corporations in the District of Columbia; to the Committee on the District of Columbia.

Also, resolution (H. Res. 78) authorizing and directing the Committee on Interstate and Foreign Commerce to investigate the conditions of transportation to Mount Vernon, Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. BLACKMON: Joint resolution (H. J. Res. 76) authorizing and directing the Secretary of War to accept the title to 4,000 acres of land at or near Anniston, Ala., for the purpose of establishing maneuver camps, rifle and artillery ranges, etc.; to the Committee on Military Affairs.

By Mr. CURLEY: Joint resolution (H. J. Res. 77) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

Also, memorial of the Legislature of Massachusetts, relative to the sale of certain land by the United States to the city of Chelsea, Mass.; to the Committee on Naval Affairs.

Also, memorial of the Legislature of Massachusetts, relative to the price of coal; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of Massachusetts, relative to the sale of small fruits; to the Committee on Coinage, Weights, and Measures.

By Mr. KAHN: Memorial of the Legislature of the State of California, relating to the preservation of the natural conditions of Lake Tahoe and of establishing by judicial decree the conflicting claims to the use of the waters thereof; to the Committee on Irrigation of Arid Lands.

Also, memorial of the Legislature of the State of California, relative to making investigations and experiments as to nature and cure of tuberculosis; to the Committee on Appropriations.

Also, memorial of the Legislature of the State of California, protesting against the proposed reduction in the duty on sugar; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, protesting against the proposed reduction in the duty on citrus fruits; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of California, relative to action by Congress in directing an investigation through the Department of Agriculture of measures for the

protection of fruit from frost damage; to the Committee on Agriculture.

Also, memorial of Legislature of the State of California, relative to the continuation by the United States of surveys for the construction of storage reservoirs for the impounding of flood waters in the Sierra Nevada Mountains in the State of California, and asking that an appropriation be made for forwarding the work as speedily as possible; to the Committee on Irrigation of Arid Lands.

By Mr. HAYDEN: Memorial of the Legislature of the State of Arizona, in favor of the acquisition of Monticello by the United States; to the Committee on the Library.

Also, memorial of the Legislature of the State of Arizona, requesting that certain abandoned military reservations be set aside to be used as sanatoria for sufferers from tuberculosis; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOOHER: A bill (H. R. 4304) granting an increase of pension to Herbert Thayer; to the Committee on Pensions.

By Mr. BYRNES of South Carolina: A bill (H. R. 4305) granting a pension to Dora Dee Walker; to the Committee on Pensions.

Also, a bill (H. R. 4306) granting a pension to Ernest Holmes; to the Committee on Pensions.

Also, a bill (H. R. 4307) granting an increase of pension to Lucretia Grice; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 4308) granting a pension to Jane F. Taylor; to the Committee on Pensions.

By Mr. FORDNEY: A bill (H. R. 4309) to remove the charge of desertion from the record of J. Lucius Bell; to the Committee on Military Affairs.

By Mr. GOLDFOGLE: A bill (H. R. 4310) concerning certain moneys collected from Bernard Citroen as customs duties and declared by the United States Supreme Court to have been illegally exacted; to the Committee on Ways and Means.

By Mr. HAMILTON of Michigan: A bill (H. R. 4311) to authorize the President to appoint Brig. Gen. Frank D. Baldwin to the grade of major general in the United States Army and place him on the retired list; to the Committee on Military Affairs.

By Mr. HAY: A bill (H. R. 4312) granting a pension to Gertrude V. Ross; to the Committee on Pensions.

By Mr. HULL: A bill (H. R. 4313) for the relief of Josie Myer Reynolds; to the Committee on Claims.

By Mr. JONES: A bill (H. R. 4314) for the relief of the trustees of the Zion Methodist Church, of York County, Va.; to the Committee on War Claims.

By Mr. LEE of Pennsylvania: A bill (H. R. 4315) for the relief of Charles E. Boltz; to the Committee on Claims.

By Mr. O'SHAUNESSY: A bill (H. R. 4316) granting an increase of pension to George W. Hale; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4317) granting an increase of pension to Henry M. Chase; to the Committee on Invalid Pensions.

By Mr. YOUNG of North Dakota: A bill (H. R. 4318) to authorize the Secretary of the Interior to cause patent to issue to Erik J. Aanrud upon his homestead entry for the southeast quarter of the northeast quarter of section 15, township 159 north, range 73 west, in the Devils Lake land district, N. Dak.; to the Committee on the Public Lands.

By Mr. HAYDEN: A bill (H. R. 4320) granting a pension to Charles Wedeke; to the Committee on Pensions.

Also, a bill (H. R. 4321) for the relief of Warren E. Day; to the Committee on Indian Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the City Council of Norfolk, Va., relative to the acquisition and operation by the United States Government of the telegraph and telephone utilities; to the Committee on Interstate and Foreign Commerce.

Also (by request), memorial of the City Council of Kansas City, Mo., favoring a Federal telegraph and telephone system; to the Committee on Interstate and Foreign Commerce.

Also (by request), memorial of the Daughters of the American Revolution of the State of Colorado, against the transfer of any part of the public domain of the United States, etc., to the individual States; to the Committee on the Public Lands.

Also (by request), petition of the Guidon Club, New York, protesting against any action by Congress to amend the Constitution granting suffrage to women; to the Committee on the Judiciary.

By Mr. ANSBERRY: Petition of Amos R. Dewees, of Bryan; B. A. Welch, of Van Wert; Clyde Smith, of Leipsic; and sundry citizens of Paulding, Ohio, favoring exempting from income tax mutual life insurance companies; to the Committee on Ways and Means.

By Mr. ASHBROOK: Petition of Adam Delbel and Robert A. Youngen, New Philadelphia, Ohio, and T. J. Halen, Canal Dover, Ohio, protesting against an income tax on mutual life insurance companies; to the Committee on Ways and Means.

By Mr. CARY: Petition of C. H. Kripendorf, sr., of Cincinnati, Ohio, against placing shoes on the free list; to the Committee on Ways and Means.

Also, petition of the Wilmanns Bros. Co., of Milwaukee, Wis., against proposed amendments and changes to Schedule M, paragraph 412, tariff act of 1909, relative to lithography; to the Committee on Ways and Means.

Also, petition of Cigar Makers' International Union of America, against unlimited free trade with the Philippine Islands; to the Committee on Ways and Means.

Also, petition of the Flavoring Extract Manufacturers' Association of Milwaukee, Wis., favoring keeping vanilla beans and oil of lemon on the free list; to the Committee on Ways and Means.

Also, petition of Walter Travers Daniel, of New York, and the North Western Mutual Life Insurance Co., of Milwaukee, Wis., favoring exemption from income tax in tariff bill of mutual life insurance companies; to the Committee on Ways and Means.

Also, petition of the Blodgett Milling Co., of Janesville, Wis., against tariff upon rye, buckwheat, and the products thereof; to the Committee on Ways and Means.

Also, petition of Herman Reel & Co., against the proposed duty upon raw furs; to the Committee on Ways and Means.

By Mr. CURLEY: Petition of E. May Caldwell and others, favoring legislation for the suppression of the white-slave traffic; to the Committee on Ways and Means.

Also, petition of the Massachusetts Peace Society, favoring the repeal of the toll-exemption clause in the Panama Canal act; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE: Petition of sundry citizens of New York, favoring an amendment to the income-tax section of the tariff bill exempting from tax mutual life insurance companies; to the Committee on Ways and Means.

Also, petition of Cigar Makers' International Union of America, against unlimited free trade with the Philippine Islands; to the Committee on Ways and Means.

Also, petition of the C. J. Tagliabon Manufacturing Co., of Brooklyn, N. Y., against the reduction of duty on sugar; to the Committee on Ways and Means.

Also, memorial of the Passaic Board of Trade of the State of New Jersey, with briefs submitted by sundry Passaic manufacturers, against the reduction of tariff affecting the woolen, cotton, handkerchief, chemical, metal, and paper industries; to the Committee on Ways and Means.

By Mr. DYER: Memorial of the St. Louis Association of Credit Men, favoring prompt legislative action on banking and currency reform; to the Committee on Banking and Currency.

By Mr. GOLDFOGLE: Petition of sundry citizens of New York, favoring exemption of mutual life insurance companies from income tax as proposed in tariff bill; to the Committee on Ways and Means.

Also, petition of Isaac Prouty & Co., of Spencer, Mass., against placing shoes on the free list; to the Committee on Ways and Means.

Also, petition of the Atlantis Daily Greek Newspaper, against the duty on currants; to the Committee on Ways and Means.

Also, petition of the Richmond Chamber of Commerce, of Richmond, Va., favoring a law for the reform of banking and currency; to the Committee on Banking and Currency.

Also, petition of Alex. D. Shaw & Co., of New York, N. Y., favoring a reduction of the duty on wines, whiskies, etc.; to the Committee on Ways and Means.

Also, petition of the Star Expansion Bolt Co., of New York City, and D. Saunders' Sons (Inc.), of Yonkers, N. Y., against a reduction of the duty on sugar; to the Committee on Ways and Means.

Also, petition of the Salts Textile Manufacturing Co. and the Angora Goat Raisers and Goat Breeders' Association, of Kimble County, Tex., against the 30 per cent duty on raw mohair; to the Committee on Ways and Means.

Also, petition of the Banner Milling Co. and the Thornton & Chester Milling Co., of Buffalo, N. Y., against placing flour on the free list; to the Committee on Ways and Means.

Also, petition of Snyder & Wheeler, of New York, N. Y., against the duty on vegetable ivory; to the Committee on Ways and Means.

By Mr. GRIEST: Petition of Cigar Makers' International Union of America, against unlimited free trade in Philippine cigars and tobacco; to the Committee on Ways and Means.

By Mr. HAYDEN: Petition of Tempe (Ariz.) Woman's Christian Temperance Union, in favor of legislation for the closing of the Panama-Pacific Exposition on Sundays; to the Committee on Industrial Arts and Expositions.

By Mr. HILL: Papers to accompany bill for the relief of Josie Myer Reynolds, of Smith County, Tenn.; to the Committee on Claims.

By Mr. HOWELL: Memorial of the Rocky Mountain Ore Producers' Association, against the proposed reduction of the duty on lead; to the Committee on Ways and Means.

By Mr. KAHN: Petition of the San Francisco Chamber of Commerce, San Francisco, Cal., protesting against the proposed duty on wheat, oats, and barley; to the Committee on Ways and Means.

By Mr. LEVY: Petition of the Cigar Makers' International Union of America, Chicago, Ill., protesting against the importation of Philippine tobacco and cigars free of duty; to the Committee on Ways and Means.

Also, petition of the New York Credit Men's Association, New York, N. Y., favoring the passage of legislation making an immediate reform in the present banking system of the United States; to the Committee on Banking and Currency.

Also, petition of North Carolina monazite miners and other citizens of Shelby, N. C., favoring an increase in the duty on monazite; to the Committee on Ways and Means.

Also, petition of J. H. Lane & Co., New York, protesting against any change in the present tariff on cotton yarns; to the Committee on Ways and Means.

Also, petition of N. L. Carpenter & Co. and sundry citizens of New York, N. Y., protesting against an income tax being placed on mutual life insurance companies; to the Committee on Ways and Means.

By Mr. O'SHAUNESSY: Petition of sundry Greek-American citizens of Providence, R. I., against the duty on currants; to the Committee on Ways and Means.

Also, petition of the Executive Board of Trade of the Rhode Island State Federation of Women's Clubs, against the measure to place the control of forest reservations in the hands of the individual States; to the Committee on the Public Lands.

Also, memorial of the Rhode Island State Branch, Cigar Makers' Union, No. 94, against free trade with the Philippine Islands; to the Committee on Ways and Means.

Also, petition of the Amalgamated Lace Operatives of America, Branch No. 16, West Barrington, R. I., against the reduction of the tariff on laces and lace curtains; to the Committee on Ways and Means.

Also, petition of the Rhode Island Association Opposed to Women Suffrage, Peace Dale, R. I., protesting against the passage of legislation granting suffrage to women; to the Committee on the Judiciary.

Also, petitions of John R. Dennis and David A. Craig, Providence, R. I.; William Wheelock, Greystone, R. I.; and Lawton & Co., Pawtucket, R. I., protesting against any radical change in the present tariff on wool; to the Committee on Ways and Means.

Also, petitions of James Dillingham; Maurice H. Stearns; W. S. Redfield, general agent of the New England Mutual Life Insurance Co.; George M. Parks, of the Massachusetts Mutual Life Insurance Co., of Providence, R. I.; Robert Brindle, superintendent of the John Hancock Mutual Life Insurance Co., Woonsocket, R. I.; Alfred Green, superintendent of the John Hancock Mutual Life Insurance Co., Pawtucket, R. I.; and John W. Manley, Providence, R. I., protesting against the income tax on mutual life insurance companies; to the Committee on Ways and Means.

Also, petitions of the Embusso Club, John Hutchens Cady, the Rhode Island State Federation of Women's Clubs, the Bachelor Girls' Club, the Read, Mark, and Learn Club, the Audubon Society of Rhode Island, the Thimble Club, the Rush-Light Club, the Rhode Island Field Naturalist Club, and H. L. Madison, all of Providence, R. I.; Forest P. Beck, Oliphant Club, W. M. C. Little, John P. Swan, and others, Newport, R. I., favoring the passage of legislation prohibiting the importation of feathers and plumes of wild birds for commercial use; to the Committee on Ways and Means.

By Mr. ROBERTS of Nevada: Petition of sundry business men of Golconda, Virginia City, and 7 other towns of Nevada, favoring the passage of legislation to compel concerns selling goods direct by mail to the consumer to contribute their portion of the funds for the development of the community, county, and State; to the Committee on Ways and Means.

Also, petition of the San Francisco Labor Council, San Francisco, Cal., protesting against the passage of legislation reducing the wages of the customs guards at the port of San Francisco; to the Committee on Ways and Means.

Also, petition of the Elko County Cattle Association, Elko County, Nev., protesting against the placing of wool and meat on the free list; to the Committee on Ways and Means.

By Mr. WALLIN: Petition of sundry citizens of the thirtieth district of New York, favoring an amendment to the income-tax provisions, especially with reference to life insurance companies, in the proposed tariff bill; to the Committee on Ways and Means.

Also, petitions of Rev. John C. Breaker and sundry citizens of Worcester, East Douglas, Grafton, and North Uxbridge, Mass., favoring the repeal of the clause in the Panama Canal act exempting American coastwise shipping from the payment of tolls or the arbitration of the question with the British Government; to the Committee on Interstate and Foreign Commerce.

By Mr. WILDER (by request): Petitions of W. H. Whiting and sundry citizens of Barre, Charlton, Leicester, New Salem, Petersham, Princeton, and Spencer, Mass.; members of the Second Baptist Church of Palmer; and W. R. Kimbell and sundry citizens of Lancaster, Mass., favoring the repeal of the clause in the Panama Canal act exempting American coastwise shipping from the payment of tolls, etc.; to the Committee on Interstate and Foreign Commerce.

HOUSE OF REPRESENTATIVES.

SATURDAY, April 26, 1913.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father Almighty, humbly and reverently do we bow in Thy sacred presence, realizing how utterly dependent we are upon Thee for life and all its attendant blessings. Thou hast anticipated all our needs, our longings, hopes, and aspirations; yet how often in the stress of life, its cares, and temptations do we forget the mind that conceives, the heart that loves, the hand that would guide us to better thoughts, nobler living. Strengthen our minds, purify our hearts, and make us willing to be led in Thy ways, after the manner of the world's great Exemplar. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER.

The SPEAKER. The Chair has the credentials of Hon. JOHN J. MITCHELL, of Massachusetts, properly certified to by the governor of the State and the secretary of the Commonwealth, and Mr. MITCHELL will come forward and be sworn. If there are any other gentlemen who have not been sworn they will please come forward.

Mr. JOHN J. MITCHELL appeared at the bar of the House and took the oath of office. [Applause.]

ASSAULT ON REPRESENTATIVE SIMS.

Mr. DAVIS of West Virginia. Mr. Speaker, on behalf of the special committee appointed under resolution 59, I desire to present a privileged report and to give notice that it will be called up as a matter of privilege immediately upon the conclusion of the tariff bill. I also desire, Mr. Speaker, to ask unanimous consent that the report may be printed in the RECORD.

The SPEAKER. The gentleman from West Virginia, chairman of the special committee, sends up to the Clerk's desk a report and asks that it be printed in the CONGRESSIONAL RECORD. Mr. DAVIS of West Virginia. Excluding the testimony, Mr. Speaker.

The SPEAKER. Excluding the testimony, and the gentleman gives notice that he will call it up immediately after the disposition of the tariff bill by the House.

Mr. MANN. May I ask the gentleman, does the testimony accompany the report?

Mr. DAVIS of West Virginia. The testimony accompanies the report, but it is not desired to print that in the RECORD.

Mr. MANN. And that will be printed as a part of the House report?